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# Interests And Ideas: Industrialization And The Making Of Early American Trade Policy, 1789 - 1860

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**INTERESTS AND IDEAS: INDUSTRIALIZATION AND THE MAKING  
OF EARLY AMERICAN TRADE POLICY, 1789 – 1860**

by

**JOHN AUSTIN MOORE**

**DISSERTATION**

Submitted to the Graduate School

of Wayne State University,

Detroit, Michigan

in partial fulfillment of the requirements

for the degree of

**DOCTOR OF PHILOSOPHY**

2013

MAJOR: HISTORY

Approved by:

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Advisor

Date

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## **DEDICATION**

I could not have completed my academic journey without the great support and inspiration that my family provided to me, and I dedicate this dissertation to them. My academic dreams and goals came later in life, requiring many significant sacrifices by my wife and children. I appreciate their unwavering encouragement over many, many years.

My wife Nona willingly supported my academic mid-life crisis, and patiently put up with the emotional swings that accompany the doctoral process. During those times when I was most discouraged, she remained more confident in me than I was in myself. She put up with the many trips and vacations that unfairly included stacks of books to research and times blocked out for writing. I am fortunate to have a best friend that willingly supports my dreams and pursuits. Nona teaches me, by her example, that each and every day in life is an opportunity to personally grow, as well as an opportunity to benefit others in both small and large ways by giving oneself in both time and talent. After almost twenty years of graduate studies, her giving of herself in encouraging me, proofreading countless drafts, and putting up with deadlines that interrupted normal family life are proof that she walks the talk. Thank you, Nona, for your unconditional support. I'm looking forward to spending more time going forward with my very best friend!

Son Jason constantly invigorates my enthusiasm for the field of history. We had the unique opportunity to attend Wayne State at the same time, and though we never sat in a class together, Jason uniquely related to my experience since we shared common professors. He has inherited my history genes and is the one family member that I can be an unabashed history nerd with. Our mutual interests have opened the door for many pleasant memories together walking over battlefields and talking about the consequences of what happened and posing counterfactuals to one another. Thank you, Jason, for trudging out to historical sites and markers over many years

while your mother and sister preferred to stay in the car. You shall always be my kindred historian!

My daughter Sarah exemplifies focus, organization and determination. I have watched her over the years dedicate herself to very challenging goals in both academics and athletics, and she always excelled in them. She most directly impacted the dissertation, acting as a research assistant during the summer of 2009. I think that she thought I employed her that summer out of charitable benevolence to a penniless college student. She had it all wrong. Her research was critical, and I have never found a single error in the important work that she performed. During my doctoral journey, I had the ironic opportunity to take the GRE exam with my daughter, as well as the great privilege of walking her down the aisle. Thank you Sarah, for being a great example that hard work and dedication are important prerequisites to reaching challenging goals!

Lastly, we are shaped by our parents. Both of my parents were the first in their families to earn college degrees. My mother was a great classroom teacher, corroborated by her many colleagues and students that I have met over the years. She instilled me with a great admiration for the teaching profession. My father, an attorney, has always been my benchmark for what a gentleman ought to be. I have learned from his consistent example the need to always strive to be your best in all that you do, to never get too excited when things go well, and to never get too downcast during challenging times. He is humble in success, and always seeking to help others. I could not ask for a greater example on how to live life rightly. Thank you, mom and dad, for investing in me richly while I grew up, and serving as great role models for me in adulthood!

Thank you, family! Your love, support, and examples have sustained me during the ebbs and flows of the doctoral process. You are my heroes and each one of you amaze and inspire me on a daily basis. I love each one of you more than you will ever know.

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guidance greatly improved my critical thinking, research, and writing skills. Dr. Andrew Port broadened my perspective on economic thought by introducing me to differing scholarly viewpoints and traditions. This was helpful to my thought process as I considered the broad issue of trade protection and economic theory.

I also wish to acknowledge the friendly and professional staff members at the Library of Congress, the University of Virginia, and the Filson Society. They provided excellent assistance to a novice special collections researcher, and the information that I accessed in the process was invaluable. I look forward to future expeditions to each of these places.

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## CHAPTER 1 – INTRODUCTION

*“If a foreign country can supply us with a commodity cheaper than we ourselves can produce it, better buy it of them with some part of the produce of our own industry ...The general industry of the country ... is certainly not employed to the greatest advantage, when it is thus directed towards an object which it can buy cheaper than it can make.”<sup>1</sup>*

- Adam Smith, *“The Wealth of Nations”* 1776

*“Those nations which feel themselves to be capable, owing to their moral, intellectual, social, and political circumstances, of developing a manufacturing power of their own must adopt the system of protection as the most effectual means for this purpose.”<sup>2</sup>*

- Friedrich List, *“National System of Political Economy”*

Trade policy, most frequently reflected through tariffs, was the most important economic policy issue facing the United States between the Founding and the Civil War. In the seven decades following the 1789 Philadelphia Convention, Congress considered sixteen major tariff bills.<sup>3</sup> These efforts occupied more pages of the Congressional records than national banking and internal improvements combined, and frequently occupied newspaper front pages. American trade policy between 1789 and 1860 was a fluid, dynamic, and even raucous issue of the day.

### Thesis

Early American trade policy was influenced by two crucial forces: the First Industrial Revolution and the introduction of liberalized notions about “political economy.” These two variables can be described as “interests” and “ideas.” The two factors changed over time, causing shifts in the manner that Americans addressed foreign commerce. At various times between 1789 and 1860, the nation experimented with high tariffs, low tariffs, and even suspension of trade.

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<sup>1</sup> Adam Smith, *The Wealth of Nations* (Washington, D. C.: Regnery Publishing, Inc., 1998), 514.

<sup>2</sup> Friedrich List, *National System of Political Economy* (New York: Cosimo Classics, 2005), 2:20.

<sup>3</sup> Cynthia Clark Northrup and Elaine C. Prange Turney, eds., *The Encyclopedia of Tariffs and Trade in U. S. History* (Westport, Connecticut: Greenwood Press, 2003), 1:356-370.

The First Industrial Revolution, starting in Great Britain around 1750, gradually made its way to the United States by the 1810s. In 1789, the American republic was predominantly agricultural. By 1860, it possessed the world's third largest industrialized economy, eclipsed only by Great Britain and France. Industrialization significantly altered the American economy, with important political and social implications.<sup>4</sup>

The process was disruptive, for many reasons. First, entrepreneurial American manufacturers faced stiff European competition, particularly from British producers who were more technologically advanced and benefitted from economies of scale. These advantages allowed foreign manufacturers to provide higher quality goods at cheaper prices than their American counterparts. Factories required significant financial capital, and early American capitalists were confronted with high levels of financial risk. Low sales volumes, combined with heavy investment in equipment, bricks, and mortar, often spelled financial doom.

American special economic interests formed in response to foreign competition. As the national economy developed, capitalists began associating with one another on the basis of industry, and they encouraged the national government, through petitions and political representation, to provide valuable assistance in checking foreign competition. Most of these special interest groups were linked to manufactures, the fastest growing economic sector. However, some agricultural interests also exerted political pressure on the federal government to provide them with assistance as well.

These interest groups were influenced by Great Britain's trade policy example. The former mother country was the world's most powerful economy by the early nineteenth century, and had

---

<sup>4</sup> Douglas C. North, *The Economic Growth of the United States, 1790-1860* (New York: W. W. Norton & Company, Inc., 1966), v. Note that in North's data a united Germany had slightly more manufacturing assets than the combined United States. However, since Germany was a decade away from unification, the United States was technically the third largest industrialized economy in the world.

become so through a mercantilist system. The British model provided an empirical example of the potential benefits from a “nationalist” oriented version of trade policy.

Trade policy was complicated by ideas, because, coincident with American independence, a revolution in intellectual thought occurred as well. In 1776, Adam Smith published *An Inquiry into the Nature and Causes of the Wealth of Nations*. This work, published four months before the American declaration of independence, was as revolutionary for economics as the American conflict was for politics. The *Wealth of Nations* challenged common wisdom regarding political economy, proposing to eliminate state sponsored mercantilism and replace it with laissez-faire free trade. Smith’s ideas were warmly embraced and enhanced in the early nineteenth century by intellectuals such as David Ricardo and Jean Baptiste Say.

The mutually exclusive concepts of free trade and economic nationalism both claimed legitimacy in the newly evolving American economy. Enlightenment inspired concepts of free trade resonated with many of the same men inspired by Locke and Montesquieu in their quest for political independence. At the same time, Americans remained deeply influenced by British policy, and certain American leaders concluded that if the United States emulated Great Britain’s approach to international trade, the new republic would economically thrive.

These two factors, interests and ideas, underwent both continuity and change between the Philadelphia Convention and Fort Sumter. A maturing American economy caused economic special interests to change over time. The relative influence of the three major economic spheres of agriculture, commerce, and manufactures within geographic regions sometimes shifted dramatically in the space of only a few years. Ideas tied to free trade and nationalism resonated differently over time, as American leaders responded to changing international circumstances,

ranging from the early 1800s, when the United States was practically an economic neo-colony of Britain, to the 1850s, when the nation achieved high levels of self-sufficiency.

The changing tides of interest caused many American capitalists, and by proxy their congressional representatives, to change their position on trade over time. These shifts occurred throughout the country. Both nationalists and free traders enjoyed intermittent periods where their respective ideas were ascendant. Nonetheless, American trade policy remained unresolved by 1860, and would remain so even after the American Civil War.

By identifying interests and ideas as the dominant variables shaping American trade policy during the Early Republic and Antebellum years, this work rejects demarcating the tariff issue along a North-South geographical divide. It also rejects the idea that the tariff was a proxy struggle between competing free-labor and slave-labor based economic systems. Both systems proved compatible with all three economic spheres, including manufactures.

## **Background**

Early American policy makers confronted great challenges in choosing between the diametrically opposed strategies of free trade and protection. The United States in 1789 was both politically and economically weak, a political experiment situated in a hostile, monarchical world. The stakes were high, and the new republic's future prospects greatly depended upon American economic strength.

The tariff was an important revenue source for the federal government, but it also was a potentially important tool to encourage or discourage segments of the national economy through governmental policy. Tariffs could be used to “protect” specific American economic sectors, stimulating their economic development. Although early American nationalists such as Alexander Hamilton envisioned protection for manufacturing interests, economic interest groups

formed and lobbied to protect an array of agricultural and other products as well, including, but not limited to, indigo, sugar, hemp and even whale by-products.

Changing economic interests in the United States were fueled by the industrialization of the American economy and by territorial expansion. For example, in 1810, workers engaged in agriculture and manufacturing comprised 84% and 3% of the nation's total labor force, respectively. By 1860, those numbers were 53% and 14%, demonstrating the shifting nature and diversification of the American economy. Over the same time frame, the United States expanded its population from 3.9 million to 31.4 million people, and its geographic size from 0.86 to 2.97 million square miles.<sup>5</sup>

Industrialization, originally introduced in New England and the Atlantic states in earnest in the 1810s, eventually spread across all regions by the 1850s. The process of technological applications spreading from one geographic region to another is known as "takeoff" by developmental economists, where the knowledge and expertise of a process is transferred from one geographic and/or national area to another, followed by sudden bursts in investment and activity. This process occurred "inter-country" between 1790 and 1820, when British technological knowledge was transferred, often covertly, to the United States.<sup>6</sup>

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<sup>5</sup> Susan B. Carter, Richard Sutch, et al., eds., *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition* (New York: Cambridge University Press, 2006), 1:26, 2:110.

<sup>6</sup> The term "takeoff" was popularized by Walter W. Rostow in *Stages of Economic Growth*. Rostow loosely defines "takeoff:" as the point in time when a nation begins to accelerate its production of "secondary goods," particularly relative to primary goods. He cites the First Industrial Revolution in Great Britain in the middle of the eighteenth century as the first example of a takeoff. The primary driver behind takeoff is industrialization, characterized by growing manufacturing segments within a nation. Takeoffs are typically accompanied by growing entrepreneurship, a rapid rise of a few leading industrialized industries, increased political support for supporting the industrialization process, and increased capital investment (typically more than 10% of national income reinvested into industrial assets) into private sector infrastructure such as factories. In the early American example the rise of manufacturing is demonstrated by the growth of cotton and woolen manufactures, and the iron industry, as well as by increased support for tariffs and trade policy protection. Historical data from the early nineteenth century makes it extremely difficult to validate investment rates, but observing growth of manufacturing jobs and the total capital invested in manufacturing infrastructure provides helpful evidence to determine whether substantial growth in manufacturing took place. See W. W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (New York: Cambridge University Press, 1970), 2, 38, 59.



Once technological knowledge associated with the First Industrial Revolution was introduced to the United States, further transfer “intra-country” from the American Northeast to other parts of the nation was much easier to accomplish. The South and West experienced their own takeoffs between 1830 and 1860. Technology and capital transfer was more readily achieved intra-country, allowing other regions to partially “catch up” with the Northeastern manufacturing capabilities in relatively short periods of time.

Ideas also shaped American trade policy, establishing an intellectual framework that economic interest groups used to advance their causes, or for others to argue that the federal government should never show economic partiality to any group or individual. In 1789, Americans were primarily influenced by European thinkers and examples. Over time, American thinkers developed variations of nationalism and free trade thought that took on a unique American flavor.

The Enlightenment introduced fresh ideas to the world of political economy. Just as John Locke and the Baron de Montesquieu revolutionized politics, so too did French physiocrats Jacques Turgot and Francois Quesnay, Scotsman Adam Smith, and French economist Jean Baptiste Say in economics. Quesnay’s *Tableau Economique*, published in 1759, asserted that economic value was founded in land and agriculture. He took mercantilists to task for trade regulation which, he claimed, slowed down the transfer of economic surpluses throughout society, and therefore impeded national economic development.

Free trade gained intellectual credibility in 1776, when Adam Smith published *The Wealth of Nations* in 1776, revolutionizing the world of economic thought. Smith rejected the physiocratic assertion of a land-based view of productivity and wealth. He substituted a more complex economic paradigm, which considered the impact of the early Industrial Revolution. In 1803, as

industrialization slowly expanded from Britain to the Continent and the United States, Jean Baptiste Say published *Traite d'Economie Politique* (“*Treatise on Political Economy*”), further legitimizing free trade principles.<sup>7</sup>

Smith and other liberal thinkers asserted that tariffs and other trade barriers should be kept as low as possible or not exist at all. They believed that a national economic system would produce optimal results if economic activities followed a natural course, without interference or preferential treatment from a national government. The key to this system was consistent and equal treatment of all members of the economy, providing economic freedom for all citizens.

Continental free trade thinkers made a substantial impact upon early American economic thought. *The Wealth of Nations* was printed in the United States as early as 1789 and used at the College of William and Mary as early as the mid-1790s.<sup>8</sup> Thomas Jefferson’s library included a third edition copy of *The Wealth of Nations* (1784) and a first edition of Say’s *Traite d'Economie Politique* (1803).<sup>9</sup>

The major alternative to free trade was economic nationalism, patterned after the British experience. A national government’s role was to foster economic growth through policy. High tariffs could shield domestic sectors such as manufactures and agriculture because competing foreign goods would become more expensive. Tariff policy could even be constructed to target specific industries.

British intellectuals concluded that their mercantilist system was compatible with British liberalism. The Glorious Revolution, transition to a Hanovarian constitutional monarchy, and

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<sup>7</sup> Jean Baptiste Say, *A Treatise on Political Economy* (Boston, Massachusetts: Wells & Lilly, 1821), 123-132. Say devoted this portion of the *Treatise* to expounding the negative implications of governmental regulation of trade.

<sup>8</sup> Michael O’Brien, *Conjectures of Order: Intellectual Life and the American South, 1810-1860* (Chapel Hill, North Carolina: The University of North Carolina Press, 2004), 878.

<sup>9</sup> Dumas Malone, *Jefferson and His Time: The Sage of Monticello* (Boston, Massachusetts: Little, Brown and Company, 1981), 141.

rise of the Whig and Tory parties did little to stifle mercantilist policies that had been in place since the mid-seventeenth century. Throughout the eighteenth century Great Britain refined this system, adding necessary bureaucracy to manage ever increasing levels of trade and commerce.

The British economic example provided strong evidence to support a “national” style of trade policy. Over the previous century, Britain had defeated France in a series of wars, embraced industrialization, and emerged as the world’s leading economic power. A closed economic system had been a key factor in British ascendancy. Some American policy makers believed that replicating the British model to some degree could vault to United States towards prosperity and wealth in a short timeframe.

Americans gradually formed distinct notions of political economy along both nationalist and free trade lines of thought. Economic nationalists were influenced by such figures as Alexander Hamilton in the 1780s and 1790s, Friedrich List in the 1840s, and Henry C. Carey in the 1850s. Free traders would be inspired by the examples of John Taylor in the 1800s through the 1820s, William Leggett in the 1830s, and William Gregg in the 1840s.

### **Theoretical Framework**

The various tariff debates between 1789 and 1860, and the related roll call votes, provide the foundational information for this study. Jefferson’s trade restriction bills between 1806 and 1809, while technically not tariffs, are also included. These legislative acts were the visible manifestation of American trade policy. American trade policy was shaped by economic forces in the form of special interest groups and by ideas put forth by leading political economists of the day, which, in turn, were quickly incorporated into leading publications as well as the tariff debates in both the Senate and House of Representatives.

Senators and House members acted as proxies for the general economic interests of their constituents while voting on the plethora of trade bills that Congress considered between 1789 and 1860. Congressional elections, particularly in the House of Representatives, were held frequently enough that changing economic sentiments were quickly reflected within its membership. Congress provided the political means through which special economic interest groups attempted to influence the policy-making process.

The study also utilizes United States census data from 1790 through 1860. The collection of economic data during these years is inconsistent, but by 1840 the census reports were gathering useful economic information, which helps to measure the growth of industrialization throughout the nation. The census data is augmented by the reports of Tench Coxe and Timothy Pitken during the early nineteenth century.

Ideas regarding political economy, and specifically trade policy, were shared extensively by way of books, newspapers, letters, and on the floor of Congress. Free trade nationalist themes were constantly present in the various trade policy debates. By 1820, American policy makers began solidifying distinct notions about trade policy. The best example was Henry Clay's American System, which offered nationalist trade policy initiatives that became a lightning rod for both economic nationalists and free traders during tariff debates from 1820 forward.

Trade also served to demarcate major political parties during the First and Second Party Systems. During the First Party System Federalists and Republicans generally assumed opposite positions on trade policy, although these positions changed over time. Trade policy differences were more acute during the Second Party System, as Whigs stridently sought protectionist policy while Democrats embraced free trade.

The differences between the Whigs and the Democrats from the 1830s through the 1850s were shaped by contrasting views of the impact of industrialization and political economic theory. Whigs prioritized the collective good of the nation and considered industrialization as an opportunity to increase American political and economic strength. They believed industrializing the nation provided fertile ground for enterprising entrepreneurs, which created opportunities for American citizens seeking upward social and economic mobility. The key tactic to achieve this strategic outcome was the American System, which drew its inspiration from the British example of the late eighteenth and early nineteenth centuries. Democrats, on the other hand, celebrated individualism and concluded that the United States should pursue liberal laissez-faire policies to ensure that individual economic rights were protected. They were not anti-manufacturing per se, but believed that government should not interpose itself to artificially hasten industrialization.

### **Historiography**

There has been scant literature devoted early American trade policy over the past century, although some historians tangentially considered the tariff while researching other topics. This is perplexing in light of the tariff's significance during the first half of the nineteenth century. Contemporary voters were as concerned about the tariff as the national bank, and yet the national bank has received more focused scholarly attention in recent times.

In contrast, the tariff greatly interested historians in the late nineteenth and early twentieth century. Six significant economic histories regarding early American tariffs were written over a twenty year span beginning in 1884. These works generally focus on economic theory, without heavily considering the role of the politics in the process, and include the following: David Hastings Mason's *A Short Tariff History of the United States from the Earliest to the Present Time* (1884), Richard W. Thompson's *The History of Protective Tariff Laws* (1888), Frank W.

Taussig's *The Tariff History of the United State* (1888), considered the preeminent historical work on nineteenth century American tariffs, Dr. Orrin Elliott's *The Tariff Controversy in the United States, 1789 – 1833* (1892), William Hill's *The First Stages of the Tariff Policy of the United States* (1893) and Edward Stanwood's *American Tariff Controversies in the Nineteenth Century* (1903).

Taussig and Elliott wrote histories detailing the economic impact of American tariff bills. Taussig charged that both free traders and protectionists demonized each other too often, noting that protectionist claims of economic prosperity from high tariffs represented an “exaggeration ... which is as common among their opponents as among their advocates.”<sup>10</sup> Elliott offered sectional-based interpretation of tariffs, where “the South was traditionally jealous of manufactures, and opposed the tariff encouragement as partial and oppressive.”<sup>11</sup>

The remaining authors used their works to promote economic nationalism. Mason acknowledged that “this history ... is intended to prove conclusively [that] ... all the prosperity enjoyed by the American people ... from the foundation of the United States government down to the present time, has been under the reign of protective principles.”<sup>12</sup> Thompson, who voted for the Tariff of 1842 as a House member, stated that his goal was to “desire correct and non-partisan information, to understand what is involved in each of the opposing principles of free trade, and to decide intelligently between them.” He concluded that if anyone would “take it [the tariff issue] out of party politics – free it from the dangers of sectional controversy – nationalize it in the broadest and most comprehensive sense,” they would realize that “protection will furnish abundant revenue for the Government, proper encouragement to industry, home markets

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<sup>10</sup> F. W. Taussig, *The Tariff History of the United States*, 8<sup>th</sup> ed. (New York: Capricorn Books, 1964), 108.

<sup>11</sup> Orrin Leslie Elliott, *The Tariff Controversy in the United States, 1789-1833* (Palo Alto, California: Stanford University, 1892), 215.

<sup>12</sup> David Hastings Mason, *A Short Tariff History of the United States from the Earliest to the Present Time, Part I: 1783 to 1789* (Chicago, Illinois: David Hastings Mason, 1884), 11.

and fair prices for all surplus products, just compensation to labor, the continued development of our natural resources, and put a stop ... to those periodical fluctuations in business.”<sup>13</sup> Hill commented that “It was natural that almost the first act of the new Congress should be a measure for the protection and encouragement of American industries.”<sup>14</sup> Stanwood identified “certain times when the financial situation of the government suggested the unwisdom of disturbing the then existing system of [protective] tariff taxation.”<sup>15</sup>

More recent scholarship on the antebellum period has accepted the notion that the tariff issue was regional in nature, including authors Avery Craven, David Potter, James McPherson, and William Freehling. Craven, in *Civil War in the Making* (1959), noted that while Southern states outside of South Carolina rejected nullification in 1832 they “disliked the tariff as much” as the Nullifiers.<sup>16</sup> David Potter, in *The Impending Crisis* (1963), stated that the tariff issue was an “apple of discord” that contributed, with the Mexican War and the Oregon treaty, to rising sectional tensions that were apparent by the mid-1840s.<sup>17</sup> James McPherson’s *Battle Cry of Freedom* (1988) observed that protectionist efforts to raise tariff rates after the Panic of 1857 were rebuffed by “an almost solid South combined with half or more of Northern Democrats.”<sup>18</sup>

Other recent historians have revived the Beardian interpretation of antebellum economics, claiming the tariff increased sectional tensions by pitting an industrialized North against an agricultural South. Charles and Mary Beard asserted, in *The Rise of American Civilization*

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<sup>13</sup> R. W. Thompson, *The History of Protective Tariff Laws* (Chicago, Illinois: R. S. Peale and Company, 1888), 13-15.

<sup>14</sup> William Hill, *The First Stages of the Tariff Policy of the United States* (New York: Kessinger Publishing Company, 2007), 131.

<sup>15</sup> Edward Stanwood, *American Tariff Controversies in the Nineteenth Century* (New York: Russell & Russell, 1903), 1:2.

<sup>16</sup> Avery O. Craven, *Civil War in the Making, 1815-1860* (Baton Rouge, Louisiana: Louisiana State University Press, 1996), 42.

<sup>17</sup> David M. Potter, *The Impending Crisis, 1848-1861* (New York: Harper & Row, Publishers, Inc., 1976), 19, 26.

<sup>18</sup> James M. McPherson, *Battle Cry of Freedom: The Civil War Era* (New York: Oxford University Press, 1988), 192.

(1927), that economic tensions, including tariffs, were a primary cause of the Civil War, noting Jefferson Davis' claim that the North sought "by an unjust system of legislation, to promote the industry of the New England states, at the expense of the people of the South." They concluded that Southerners foresaw "an economic policy that meant the exploitation of the South for the benefit of northern capitalism."<sup>19</sup> Mark Thornton and Robert B. Ekelund, Jr., in *Tariffs, Blockades and Inflation* (2004), argue that antebellum "tariffs on finished goods ... raised the prices paid by Southerner [and] the "terms of trade" were set against them by high protectionist tariffs. Thus, from the earliest days of the nation, the tariff issue was paramount to Southerners." They asserted that "Northern interests had a different perspective. Some entrepreneurs supported high protective tariffs ... using an "infant industry" argument."<sup>20</sup> Douglas Irwin states in a National Bureau of Economic Research paper that the Tariff of 1842 was an instance where "The House passed the measure by a single vote, with overwhelming support from the North, complete opposition from the South, and a majority against in the West."<sup>21</sup>

Some historians have contested the sectional interpretation of antebellum American politics. Joel Silbey and Thomas Alexander studied congressional roll calls during the 1830s and 1840s, and both concluded that party loyalty and orthodoxy characterized the time period. Silbey's *The Shrine of Party* examined congressional voting patterns from 1841 through 1852, and the data demonstrated that voting unity correlated more strongly to political parties than regions, leading

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<sup>19</sup> Charles A. Beard and Mary R. Beard, *The Rise of American Civilization* (New York: The MacMillan Company, 1936), 2:6.

<sup>20</sup> Mark Thornton and Robert B. Ekelund, Jr., *Tariff, Blockades, and Inflation: The Economics of the Civil War* (Wilmington, Delaware: Scholarly Resources, Inc., 2004), 16.

<sup>21</sup> Douglas A. Irwin, *Antebellum Tariff Politics: Coalition Formation and Shifting Regional Interests* (Cambridge, Massachusetts: National Bureau of Economic Research, 2006), 23; Irwin's conclusion is mirrored by Alasdair Roberts in a study of the Panic of 1837, noting that, regarding the Tariff of 1842, "Northern representatives voted overwhelmingly for the law, while the South voted overwhelmingly against," Roberts, *America's First Great Depression: Economic Crisis and Political Disorder after the Panic of 1837* (Ithaca, New York: Cornell University Press, 2012), 107.



him to conclude that “parties were united ... sections were split.”<sup>22</sup> Alexander’s *Sectional Stress and Party Strength* studied voting patterns in the House of Representatives from 1836 to 1860, and similarly concluded that “party antagonism dominated the divisions” on economic issues.<sup>23</sup>

Social historians, particularly Marxist writers, also viewed the antebellum economy as a North-South dichotomy. Eugene Genovese concluded that “The South’s slave civilization could not forever coexist with an increasingly hostile, powerful, and aggressive Northern Capitalism.”<sup>24</sup> John Ashworth linked the tariff to slavery, explaining that the South was consistently anti-tariff because “behind the tariff question lay the larger issue of federal power. And the concern with power was prompted above all by fears for slavery.”<sup>25</sup>

None of the aforementioned works carefully considers the progression of the industrialization process, an important component to fully understanding the impact of trade legislation on the United States during its early history. Two twentieth century works, focusing primarily on historical examples outside of the United States, provide valuable contributions to fill this gap. W. W. Rostow’s *The Stages of Economic Growth* (1960) and Alexander Gerschenkron’s *Economic Backwardness in Historical Perspective* (1962) study the industrialization process. Rostow concerned himself with modernization of twentieth century third-world countries during the Cold War, using a substantial number of historical examples, primarily from Europe and tangentially from the United States and Japan. His theoretical concept of economic “takeoff” is relevant to interpreting the impact of industrialization during the American republic’s early history. Gerschenkron studied how nineteenth century European nations industrializing later in

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<sup>22</sup> Joel H. Silbey, *The Shrine of Party: Congressional Voting Behavior, 1841-1852* (Pittsburgh, Pennsylvania: University of Pittsburgh Press, 1967), 65.

<sup>23</sup> Thomas B. Alexander, *Sectional Stress and Party Strength: A Computer Analysis of Roll Call Patterns in the United States House of Representatives, 1836-1860* (Nashville, Tennessee, 1967), 44.

<sup>24</sup> Eugene D. Genovese, *The Political Economy of Slavery: Studies in the Economy and Society of the Slave South* (Middleton, Connecticut: Wesleyan University Press, 1989), 34.

<sup>25</sup> John Ashworth, *Slavery, Capitalism, and Politics in the Antebellum Republic: Commerce and Compromise, 1820-1850* (New York: Cambridge University Press, 1995), 133.

time were able to close the technological gap with nations that had industrialized earlier. His primary thesis, where modernization laggards could “catch up” with those countries who had led the innovation process, will also be useful to this study.

## **Conclusions**

The thesis that early American trade policy was primarily shaped by economic interests arising from industrialization and by ideas about trade policy in a republican political framework differs from traditional interpretations of the tariff. This study chronicles the introduction of manufacturing to the United States, where it initially “clustered” in New England and the Atlantic states.<sup>26</sup> Eventually, through a “takeoff” process, industrialization spread throughout the nation. Those regions where industrialization was introduced later chronologically were nonetheless capable of “catch up.”

Congress, when considering trade bills between 1790 and 1860, acted consistently with the above interpretation. Over time, as manufacturing spread throughout the nation, the voting patterns in the Senate and House gradually changed as well, reflecting the changing fortunes and interests of the different regions. The arguments during the many debates frequently referred to the opposing ideological schools of economic nationalism and free trade. Although the rhetoric became increasingly sophisticated over time, the foundational elements of the respective arguments remained generally consistent.

If the above assertions are valid, many previous interpretations of the tariff deserve reconsideration. For example, if interests and ideas fueled trade policy development, the Marxist view pitting an industrializing, free-labor North against a feudal, slave-based South must be flawed. Industrialization did find its way to the South, and was compatible with slavery.

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<sup>26</sup> The New England states for the purpose of this study include Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. The Atlantic states include Delaware, New Jersey, New York, and Pennsylvania.

Likewise, the Beardian interpretation of competing economic interests between an agricultural South and industrial North should be rejected as well.

The thesis based upon ideas and interests also conflicts with the notion that the United States has always maintained a liberal political culture. Louis Hartz, in *The Liberal Tradition in America*, concluded that the United States has always been liberal, stating that Americans “had the American Way of Life, a nationalist articulation of Locke.”<sup>27</sup> He viewed the Whigs as a short-lived aberration, and that although early Americans possessed “a large measure of economic freedom, they still needed, because of America’s underdeveloped economy, state economic aid, and so they exchanged the cry of “laissez-faire” for the cry of tariffs and the “American System.””<sup>28</sup> The continuous efforts by economic nationalists throughout the years from Washington to Lincoln, suggest that Hartz might be overly optimistic in characterizing the United States as “liberal.” The American System was certainly inconsistent with Hartz’s notion of Lockean liberalism.

Three great political issues sparked regional tensions between the North and South leading up to the Civil War: slavery, states rights, and the tariff. Slavery was the core issue behind the Missouri Compromise, the Compromise of 1850, and the Kansas-Nebraska Act. On the surface, both states rights and the tariff sparked passions during the Nullification Crisis of 1832-33.

The Nullification Crisis, and its ties to the tariff, merits some initial comment. John Calhoun and the Nullifiers characterized the Crisis as a response to unjust tariff policy, and used nullification as their remedy. However, as William Freehling has posited, the real issue behind the Nullification was minority rights and the institution of slavery.<sup>29</sup>

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<sup>27</sup> Louis Hartz, *The Liberal Tradition in America* (New York: Harcourt Brace, 1991), 11.

<sup>28</sup> *Ibid.*, 100.

<sup>29</sup> William Freehling, *The Road to Disunion, Secessionists Triumphant: 1854-1861* (New York: Oxford University Press, 2007), 531.

Nullifiers used the tariff as their proxy issue for defending minority rights because of coincidental timing. The great initial “takeoff” in the United States was concentrated in the American Northeast in the 1820s. The South eventually launched its own takeoff in the late 1830s and throughout the 1840s. Situated in 1832 and 1833, Nullification occurred during that brief interlude period separating the separate “takeoff” events. At that point in time, the North was industrializing while the South had not yet started in a meaningful way. The tariff and slavery issues briefly paralleled one another between 1828 and 1833. By 1840, this was no longer possible because the South had commenced meaningful industrialization.

The Nullification episode has unfortunately tempted historians, as noted in the historiography, to mistakenly lump the tariff alongside slavery and state rights as a contributing factor to the American Civil War. Trade policy had little, if any, bearing on the outbreak of the war. The Compromise of 1850 and Kansas-Nebraska generated sectional antagonisms while the Tariffs of 1846 and 1857 didn’t. The Civil War may have been fought over slavery, its expansion, and state rights, but it was definitely not fought over tariffs and trade policy.

Instead, the tariff wars that raged from 1789 through 1860 were premised on interests and ideas. These battles didn’t generate bloodshed, but economic nationalists and free traders nonetheless waged a vigorous fight over national trade policy. By 1865, the slavery and state rights questions were effectively resolved. Trade policy was not, and the interests and ideas that squared against one another antebellum eventually renewed their struggle post bellum.<sup>30</sup>

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<sup>30</sup> Sam W. Haynes notes that “Americans on both sides of the debate during the early decades of the nineteenth century did not see the tariff strictly as an economic matter, or a constitutional one. Rather, the tariff issue spoke directly to a fundamental question, as yet unresolved. Should the republic strive to imitate the economic systems of the nation that had given birth to it, or pursue a wholly different course,” Haynes, *Unfinished Revolution: The Early American Republic in a British World* (Charlottesville: University of Virginia Press, 2010), 152.

## CHAPTER 2 – CONTRASTING PARADIGMS: EARLY TARIFFS, 1789 TO 1800

*“I think it both polite and just that the fostering hand of the General Government should extend to all those manufactures which will tend to national utility ... I take it to be the policy of every enlightened nation to give their manufactures that degree of encouragement necessary to perfect them, without oppressing the other parts of the community; and under this encouragement, the industry of the manufacturer will be employed to add to the wealth of the nation.”<sup>1</sup>*

*- Representative Thomas Hartley of Pennsylvania (April 9, 1789 remarks to the House)*

*“I own myself the friend to a very free system of commerce, and hold it as a truth, that commercial shackles are generally unjust, oppressive, and impolitic; it is also a truth, that if industry and labor are left to take their own course, they will generally be directed to those objects which are the most productive ...”<sup>2</sup>*

*- Representative James Madison of Virginia (April 9, 1789 remarks to the House)*

New Hampshire’s ratification of the Constitution in June 1788 brought the United States of America into existence, marking the beginning of the American experiment in government. The new republic, unconstrained by past traditions or precedents, possessed a clean slate with which to create political and economic policies. In light of the United States’ economic inferiority relative to Europe, the federal government made trade policy an early priority.

Over the next decade, the fledgling republic attempted to shape the beginnings of a trade policy. The process was largely influenced by the nationalist ideas of Alexander Hamilton, and particularly his *Report on Manufactures*. At the same time, James Madison, Thomas Jefferson and others maintained that the United States should embrace free trade. By 1800, American trade policy remained an embryonic work-in-process, mixing features from both viewpoints.

One of the very first matters of business for the First Congress was the consideration of tariff legislation and the beginning steps towards establishing American foreign trade policy. On April 1, 1789, the new House of Representatives reached a quorum, and one week later, it considered its first piece of legislation, a bill to enact a national tariff to raise revenues. The national

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<sup>1</sup> 1 Annals of Cong. 114-115 (1789).

<sup>2</sup> Ibid., 116.

government had no significant revenue sources as of yet, and urgently sought to enact the tariff in order to pay for its operations.

In simple terms, a tariff is a tax levied upon either imported or exported goods. The United States Constitution limited the Federal Government's powers, only permitting it to lay duties upon imports. Import tariffs could be determined in one of two different ways. The first was to charge an "ad valorem" rate. This tariff was calculated as a percentage of the value of the imported good. The second method was to charge a "specific duty." This latter method charged a fixed dollar amount per either the weight or quantity of an imported good.<sup>3</sup>

Four significant tariff bills were presented to Congress during Washington's two terms and John Adam's single term in office. An examination of the congressional debates and roll call votes provides strong evidence that American political leaders treated the tariff as an issue of republicanism. The nation was not industrialized in any meaningful sense in 1789 and its geographic regions were free of manufacturing special economic interests that might sway their voting actions. Instead, the executive branch and Congress concerned themselves with whether a new republic would be best served by either protectionist or free trade policies. During the tariff debates between 1789 and 1800 opposing groups of economic nationalists, who advocated neo-mercantilism (favoring tariff protection), and liberals, who preferred a laissez-faire approach (favoring free trade), presented contrasting versions of trade policy that each believed were most compatible with republicanism. Importantly, these respective groups were more ideological, rather than regional, in nature.<sup>4</sup>

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<sup>3</sup> Northrup and Turney, eds., *Encyclopedia of Tariffs and Trade*, 1:1. Note that "tariffs" and "duties" are synonymous terms.

<sup>4</sup> Note that eighteenth century and early nineteenth century "liberals" differ from twenty-first century liberals. In contemporary times, nineteenth century liberals they are often referred to as "classical liberals" to differentiate them from modern forms of liberalism.

## The Tariff and Its Importance

Tariffs played a critical part of eighteenth and nineteenth century economic policy because they were an important revenue source for the United States. The Federal government raised \$32.7 million dollars in revenues during the Washington Administration's eight years in office, and tariffs comprised about 89 percent of that total.<sup>5</sup> All politicians of the era acknowledged that some minimal level of tariff was necessary so that the Federal government could pay its expenses.

The tariff's importance in the post-Revolutionary United States was magnified by international economic events. The Industrial Revolution began in Great Britain in the 1750s. During the Confederation years the United States possessed no significant manufacturing capabilities and relied on Britain and the rest of Europe for finished goods. If the United States was to become economically self-sufficient, protective tariffs would be critical to promote industrialization. However, industrialization came at a cost. Contemporary Americans recognized that industrialization could create social ills alongside economic wealth. These costs, including the prospect of making workers dependent on employers, potentially undermined republican principles.

Great Britain was the world's leading political and economic power by 1763, aided by nationalistic trade policies. The vast British Empire conducted trade within a mercantilist system, where colonies only imported and exported goods with the mother country. This arrangement "sought power rather than or much more than plenty ... it valued plenty solely or mainly as an instrument or support of power." Mercantilist thinkers prioritized the stability and security of the state, leading them to conclude that "power was the *sole* ultimate end of state

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<sup>5</sup> United States Department of Commerce, *Historical Statistics of the United States: Colonial Times to 1970* (Washington, D. C., 1975), 1106.

policy, with wealth merely one of the means.” The system required “subordination of economic to political considerations” and “subordination of the individual to the state.”<sup>6</sup>

The American colonies economically thrived in the British system because they were protected from foreign competition. From 1700 to the early 1770s, British imports from its American and African colonies increased from 19% of its trade to 37%. During the same time, exports increased from 12% to 42%. The North American colonies were deeply, and successfully, integrated into the Empire’s economy on the eve of the Revolution.<sup>7</sup>

However, intellectual challenges to mercantilism, inspired by the Enlightenment, emerged in the eighteenth century in France from a loosely connected group of thinkers, the “Physiocrats.” The intellectual father of the movement was Francois Quesnay who published the *Tableau Oeconomique* in 1758.<sup>8</sup> Quesnay proposed that all economic value derives from land, stating that “The earth is the mother of all our goods.”<sup>9</sup> Physiocratic thought stressed the importance for a nation to export as much of its primary agricultural goods as possible, using the active involvement of government if necessary. As Gianni Vaggi writes, the Physiocrats were “not fully committed supporters of complete *laissez-faire*,” and only regarded it “as the most convenient and profitable way of selling the products of French agriculture.”<sup>10</sup>

Adam Smith’s *Wealth of Nations* went well beyond the Physiocrats and advocated eliminating state-dominated mercantilism, and replacing it with *laissez-faire* principles of free trade. He argued that in the long-run a nation was better off and economically enriched by doing so. Smith concluded that “the most advantageous method in which a landed nation can raise up

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<sup>6</sup> Jacob Viner, *Revisions in Mercantilism*, ed. D. C. Coleman (London: Methuen & Co., Ltd., 1969), 63-65.

<sup>7</sup> John J. McCusker and Russell R. Menard, *The Economy of British America, 1607-1789* (Chapel Hill: University of North Carolina Press, 1985), 40.

<sup>8</sup> Henry Higgs, *The Physiocrats* (London: Macmillan & Co., Limited, 1897), 26, 35.

<sup>9</sup> Francois Quesnay, *The Economic Table* (New York: Bergman Publishers, 1970), 13.

<sup>10</sup> Gianni Vaggi, *The Economics of Francois Quesnay* (Durham, North Carolina: Duke University Press, 1987), 111.



artificers, manufacturers and merchants of its own, is to grant the most perfect freedom of trade to the artificers, manufacturers, and merchants of all other nations.”<sup>11</sup>

It might initially appear that the twin revolutions of 1776 would be totally compatible. However, the neophyte American nation thrived inside the British economic system prior to 1775, and American disaffection with King George and Parliament did not necessarily generate equal levels of contempt for British economic policy. Many Americans maintained a deep respect for Great Britain’s economic success, which they associated with British trade policy.<sup>12</sup>

Consequently, many Founders desired to emulate the same economic system that had been partially responsible for Great Britain’s rise to world power by the late eighteenth century. Early American “economic nationalists” included Alexander Hamilton, George Washington and Fisher Ames. They believed that true American independence did not end with the Constitution. Rather, without economic independence as well, the American nation was exposed to potential corruption by European powers. The only way to stave off this danger was to enact policy that would make the United States economically self-sufficient. The tariff was a key available tool to achieve this end.

Others believed that the republic would be strengthened by fully embracing Adam Smith’s egalitarian economic principles. Republican “virtue” would be enhanced by minimal governmental intrusion into the economic sphere. This group, including James Madison, Thomas Jefferson, Patrick Henry and John Taylor, endorsed tariffs only sufficient to cover the necessary costs of the federal government. They believed that no economic discrimination or

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<sup>11</sup> Smith, *Wealth of Nations*, 770.

<sup>12</sup> Alexander Hamilton is the best example. He immediately set about to establish policies that would replicate key elements of the British economic model during Washington’s first term through his two reports on public credit and the *Report on Manufactures*, see Ron Chernow, *Hamilton* (New York: The Penguin Press, 2004), 374-378, 392-394. Trade policy debates from 1789 through the 1840s constantly featured references to British policy. Nationalists repeatedly advocated for mimicking British protective policies in order to achieve parallel economic results.

favoritism should be created by a tariff. Jefferson even anticipated David Ricardo's later theory of comparative economic advantage, endorsing free market principles, when he declared to "let our work-shops remain in Europe. It is better to carry provisions and materials to workmen there, than bring them to the provisions and materials."<sup>13</sup>

### **Trade and the British Empire**

The American colonies enjoyed economic prosperity throughout the eighteenth century as an important cog in the closed Atlantic trade of the British Empire. Parliament originally passed the Navigation Act of 1651 to bolster British merchant shipping in the face of Dutch competition. Over time, the original act was strengthened. The 1651 act was expanded in 1660 and 1662 and the collective Navigation Acts were instrumental in making Great Britain the world's foremost economic power by the middle of the eighteenth century.<sup>14</sup>

The colonies grew rapidly throughout the 1700s. Though quantitative economic data from the Colonial period is notoriously imprecise, it can still be safely asserted that the region's good fortune occurred against a background of rapid demographic and economic growth. In 1720, the British American colonial population approximated 467,000 individuals. By 1774, the estimated population stood at 2,420,000, more than a five-fold increase over the course of a half century. The combined total of imports and exports between Great Britain and her American colonies also increased five-fold between 1720 and 1774.<sup>15</sup> Over the same time frame, colonial gross domestic product ("GDP") per capita increased in excess of seven times.<sup>16</sup> As a result, on the eve of the Revolution, the average wealth of an American subject in the colonies was virtually on

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<sup>13</sup> Thomas Jefferson, *Notes on the State of Virginia* (Chapel Hill: The University of North Carolina Press, 1982), 165.

<sup>14</sup> Lawrence A. Harper, *The English Navigation Acts* (New York: Octagon Books, 1973), 48-49, 54.

<sup>15</sup> Carter, et al., eds., *Historical Statistics*, 5:710-711. Results measured in constant dollars.

<sup>16</sup> *Ibid.*, GDP measures the goods and services produced by an entire economy. During the Colonial and Early National periods, GDP almost exclusively was composed of goods. GDP per capita measures productivity on a "per person" basis and is calculated as GDP divided by population. Results measured in constant dollars.

par with counterparts living in the British Isles.<sup>17</sup> The median free American colonist earned approximately £13 per annum compared to only £11 for Englishmen. After factoring taxes, an average colonist enjoyed a standard of living about 20% better than that available in the mother country.<sup>18</sup>

Although the American Revolution established political independence, the war's conclusion didn't create a parallel economic independence. The war between 1775 and 1783 severely disrupted trade between the rebellious colonies and Great Britain. Previously, despite American discontent in the 1760s over the Stamp Act (1765) and Townshend Acts (1767), trade remained healthy, reaching a pre-war peak in 1771. However, as tensions increased in the wake of the Boston Massacre (1770), the Boston Tea Party (1773), and the Intolerable Acts (1774), trade dropped precipitously.<sup>19</sup> When rebellion flared in 1775, trade between Britain and the American colonies rapidly decreased to only 38% of 1771 levels. By 1778, overseas commerce between the two parties virtually ceased, and trade fell to just 1% of the peak trade level.<sup>20</sup>

During the wartime period, many American leaders called for a corresponding revolution in economics. They outright rejected British mercantilism, believing that system's bureaucracy and distribution of privileges were the antithesis of virtuous republicanism. In 1776, Thomas Paine argued in *Common Sense* that a "free trade" policy would serve the new nation well. He noted that "Our plan is commerce, and that, well attended to, will secure us the peace and friendship of all Europe; because, it is the interest of all Europe to have America a free port. Her trade will

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<sup>17</sup> Carter, et al., eds., *Historical Statistics*, 5:632.

<sup>18</sup> Edwin J. Perkins, *The Economy of Colonial America* (New York: Columbia University Press, 1980), 145.

<sup>19</sup> Carter, et al., eds., *Historical Statistics*, 5:711.

<sup>20</sup> *Ibid.*, 5:711-712.

always be a protection.”<sup>21</sup> A year later, he wrote that “The freedom of trade ... [is] an article of such vast importance, that the principle source of wealth depends upon it.”<sup>22</sup>

Virginians Thomas Jefferson and Patrick Henry also endorsed free trade ideology. In 1781 Jefferson expressed a desire “to throw open the doors of commerce ... giving perfect freedom to all persons for the vent of whatever they may choose to bring into our ports, and asking the same in theirs.”<sup>23</sup> Henry declared in 1783 that the nation should “Fetter not commerce, sir, - let her be free as the air - she will range the whole creation, and return on the wings of the four winds of heaven to bless the land with plenty.”<sup>24</sup> Paine, Jefferson and Henry all concluded that international trade was a mutually beneficial endeavor between nations, and anticipated that the United States would benefit from rejecting mercantilist policies and opening American ports.<sup>25</sup>

### **Trade and the Confederation Period, 1783 – 1787**

The Treaty of Paris in 1783 ended the Revolutionary War, leaving thirteen independent states loosely tied to one another through the Articles of Confederation. The Articles were ratified on March 1, 1781, three years after the Continental Congress had submitted it to the states.<sup>26</sup> Article IX of the Articles clearly checked the central economic powers of the Confederation Congress, providing that “no treaty of commerce shall be made whereby the legislative power of

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<sup>21</sup> Thomas Paine, “Common Sense,” in *Paine: Collected Writings*, ed. Eric Foner (New York: The Library of America, 1995), 24.

<sup>22</sup> Paine, “The American Crisis III,” in *Collected Writings*, 123.

<sup>23</sup> Jefferson, *Notes on the State of Virginia*, 174.

<sup>24</sup> William Wirt Henry, *Patrick Henry: Life, Correspondence and Speeches* (New York: BiblioBazaar, 2009), 192.

<sup>25</sup> The pragmatic problem, though, was eloquently summarized by Douglas A. Irwin, who noted that, “as a philosophical matter, America’s political leaders were largely favorable to the idea of free trade after the nation achieved its independence ... but the newly independent United States found itself in a decidedly mercantilist world,” see Irwin, “Revenue or Reciprocity? Founding Feuds over early U.S. Trade Policy,” NBER Working Paper 15144, 2009: 3.

<sup>26</sup> John Ferling, *A Leap in the Dark: The Struggle to Create the American Republic* (New York: Oxford University Press, 2003), 232.

the respective states shall be restrained from imposing ... imposts and duties on foreigners.”<sup>27</sup> Consequently, the states were left on their own to implement tariff policy.

The tariff policies of the individual states varied considerably during the Confederation period. Between 1780 and the enactment of the Federal Constitution, Pennsylvania and Virginia passed at least fifteen and twelve tariff proposals, respectively.<sup>28</sup> Massachusetts and many of the southern states charged very low tariffs intended to raise revenues only as necessary for the operations of their respective state governments. Rhode Island and New Hampshire not only enacted tariffs on imports, but also crafted their laws to protect and/or encourage certain industries. In contrast, New Jersey embraced free trade, admitting all goods without duty.<sup>29</sup> Low tariff states like New Jersey enjoyed a brisk import business, since foreign producers could land goods there and then transfer or smuggle them to other American states for only the cost of transport. The disparate situation allowed foreign countries, and particularly Great Britain, to simply bypass those states charging high tariff rates.

As the Revolutionary War came to a close in 1783, Thomas Paine warned of the dangers of the decentralized nature of American trade policy. British Parliament member Lord Sheffield had published “*Observations on the Commerce of the United States*” shortly after the war, and he declared that “It will be a long time before the American States can be brought to act as a Nation, neither are they to be feared as such by us.”<sup>30</sup> Paine, in reply to Sheffield, noted that “The pamphlet has two objects; the one is, to allure the Americans to purchase British manufactures; and the other, to spirit up the British Parliament to prohibit the Citizens of the

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<sup>27</sup> Bruce Frohnen, ed., *The Anti-Federalists: Selected Writing and Speeches* (Washington, D. C.: Regnery Publishing, Inc., 1999), 742.

<sup>28</sup> M. E. Kelley, “Tariff Acts Under the Confederation,” *The Quarterly Journal of Economics* Volume 2, No. 4 (Jul, 1888): 473.

<sup>29</sup> Hill, *First Stages of the Tariff Policy*, 41-55.

<sup>30</sup> John Lord Sheffield, *Observations on the Manufactures Trade* (Dublin, Ireland: J. Exshaw, 1785), 39.

United States from trading to the West-India Islands.” Paine’s anti-British remedy called for the states to authorize Congress to impose a flat five percent duty upon all imports in retaliation.<sup>31</sup>

Paine’s concerns were well founded. Immediately after the Treaty of Paris, the Atlantic trade between Great Britain and the United States quickly reestablished itself. However, the United States’ independence now placed it outside of the British trade system. Americans were stymied in their efforts to export their goods to British possessions because those goods were subject to heavy tariff rates, or outright prohibited. By contrast, in the absence of any centralized tariff policy, British producers exported their goods to the United States at little or no tariff cost. The trading relationship between the two nations changed dramatically, as shown in Table 2.1.

**Table 2.1.** Trade Patterns between Great Britain and the United States, 1763-1789 (in constant value pounds sterling)

Time Period	Annual Average Britain to States	Annual Average States to Britain	Net US Trade Balance	Ratio
1763 to 1775	£2,079,316	£1,238,311	(£ 841,005)	1.68:1
1776 to 1783	£ 482,670	£ 77,000	(£ 405,670)	6.27:1
1784 to 1789	£2,123,180	£ 796,347	(£1,326,833)	2.67:1

Source: Carter, et al., eds., *Historical Statistics*, 5:711-712.

During the Confederation Period, British exports to the United States quickly rebounded and soon exceeded pre-war levels. In contrast, American trade to Britain shrank to roughly two-thirds of pre-war levels. These two trends created substantial trade deficits, causing severe problems for American businessmen and consumers, and severe specie shortages in the United States.<sup>32</sup>

As a consequence, American merchants slowly explored alternative trade markets during the 1780s. In 1784, the *Empress of China* successfully completed a journey to China that netted a 25% profit on a capital investment of \$120,000 on her very first voyage, demonstrating that

<sup>31</sup> Paine, “Commerce with Britain and the Necessity of Union,” in *Collected Writings*, 355-357.

<sup>32</sup> A specie based monetary system is simply one that uses real assets as money, as opposed to a paper based (fiat) monetary system. During the Colonial and Early National periods gold and silver were commonly used as money.

potentially lucrative markets existed outside of British circles.<sup>33</sup> The growing importance of American trade occurred in spite of the Confederation system.

Many Americans saw inherent weaknesses and problems with the decentralized economics of the Confederation era. Alexander Hamilton, admiring the British example, called for a more active American federal government. In April 1782 he authored *Continentalist No. V*, which bluntly described the Confederation's problems with trade policy. Hamilton stated that "vesting Congress with the power of regulating trade ought to have been a principal object of the Confederation ... Commerce, like other things, has its fixed principles, according to which it must be regulated ... To preserve the balance of trade in favor of a nation ought to be a leading aim of its policy."<sup>34</sup> James Madison also recognized deficiencies in the Articles, though confining his remarks to the practice of individual states charging duties on goods traded with other states. He wrote in 1787, shortly before the Constitutional Convention, that "The practice of many States in restricting the commercial intercourse with other States ... though not contrary to the federal articles ... are destructive of the general harmony."<sup>35</sup>

The Confederation Congress attempted to remedy its revenue problem, resolving in February 1781 to request that the states agree to "vest in Congress the authority to levy an impost of 5 per cent on all goods imported."<sup>36</sup> This early attempt to grant tariff taxing and collection authority at a national level almost succeeded. By the end of 1782, twelve of the thirteen states had acquiesced to the request. Tiny Rhode Island held out, and the proposal failed to achieve the unanimous vote required for an amendment to the Articles. In April 1783, Congress again

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<sup>33</sup> John M. Belohlavek, "Economic Interest Groups and the Formation of Foreign Policy in the Early Republic," *Journal of the Early Republic* Volume 14, No. 4 (Winter, 1994): 477.

<sup>34</sup> Alexander Hamilton, *The Revolutionary Writings of Alexander Hamilton*, ed. Richard B. Vernier. (Indianapolis, Indiana: Liberty Fund, 2008), 187.

<sup>35</sup> James Madison, *Madison: Writings*. ed. Jack N. Rakove (New York: Library of America, 1999), 71.

<sup>36</sup> Hill, *First Stages of the Tariff*, 99.

requested the five percent tariff, but offered the subtle change of allowing the states to collect the duties in place of a nationally administered administrative apparatus. Nine states immediately ratified the proposal. New York, Massachusetts, Georgia and Rhode Island failed to consent. Alexander Hamilton curiously cast the New York vote, even as he combined with Madison and Oliver Ellsworth of Connecticut to lobby for passage. By 1786, twelve states provided approval for the measure, but now New York balked at ratification. The two efforts to grant Congress tariff taxing powers narrowly failed, preventing the American government from raising tax revenues and establishing a uniform national tariff policy.<sup>37</sup>

The absence of a national trade policy, and massive trade deficits, contributed to American economic woes throughout the Confederation Period. A Londoner was quoted in the May 27, 1784 edition of the *Boston Independent Chronicle* as stating “If Americans continue involving themselves in debt to this Country, and for articles mostly of luxury and extravagance, from what sources are to arise their payments? ... What must be the natural consequences? Nothing short of a poor impoverished country, having its very blood drawn from it, to pay for their extravagant importations.” Later that summer, the same publication printed a letter from “A Friend to Commerce,” who noted that “if, instead of getting our balances in our favour, we make our importations of twice the value of our exports we cannot expect to flourish long.”<sup>38</sup> The economic problems caused by trade imbalances served as a motivating factor for American leaders to organize the Annapolis Convention in 1786 and the Philadelphia Convention in 1787.

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<sup>37</sup> Ibid., 99-107. Hill surmises that Hamilton was acting under legislature instructions.

<sup>38</sup> Ibid., 133, 139.



### **The Constitutional Convention, 1787-1788**

When the Constitutional Convention convened in Philadelphia on May 25, 1787, one of James Madison's goals was to create a more powerful national government.<sup>39</sup> A necessary prerequisite was providing the national government with reliable sources of revenue. Granting a federal government the power to lay tariff duties would address this concern.

The Convention prioritized matters of representation, separation of powers, and the general structure of the proposed federal government throughout most of the summer. The subject of tariffs was first considered on the Convention floor on the late date of August 16. Although Madison supported granting the new government power to lay export duties, George Mason of Virginia immediately voiced objections, believing this practice was detrimental to Southern commerce. He "was unwilling to trust to its being done in a future article ... [and] hoped the Northern States did not mean to deny the Southern this security."<sup>40</sup>

The issue was briefly discussed, and then tabled until August 31, when the committee recommended that "all duties, imposts & excises, laid by the Legislature shall be uniform throughout the U. S."<sup>41</sup> Duties were considered a final time on September 15 as the Convention raced to conclude its work. Influenced by Mason's objections, the Convention approved what became Article 1, Section 8, Clause 1 of the Constitution; only Virginia cast a negative vote:<sup>42</sup>

The Congress shall have the Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts And Excises shall be uniform throughout the United States.<sup>43</sup>

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<sup>39</sup> James Madison, *Debates in the Federal Convention of 1787* (Buffalo, New York: Prometheus Books, 1987), 17.

<sup>40</sup> *Ibid.*, 410.

<sup>41</sup> *Ibid.*, 502.

<sup>42</sup> *Ibid.*, 569.

<sup>43</sup> Philip B. Kurland and Ralph Lerner, eds., *The Founders Constitution* (Indianapolis, Indiana: Liberty Fund, 1987), 2:407.

As further assurance to agricultural exporters, export duties were expressly forbidden by Article 1, Section 9, Clause 5, which stated that “No Tax or Duty shall be laid on Articles exported from any State.”<sup>44</sup>

The delegates scattered to their respective states to participate in the ensuing ratification debates. Pro-ratification forces were bolstered by the publication of the *Federalist Papers*, authored by Alexander Hamilton, James Madison and John Jay. Hamilton emphasized the need for strong federal control over commerce, noting the practicality of imposing tariffs on imports to raise revenues. In *Federalist 12* he stated “It is evident from the state of the country, from the habits of the people, from the experience we have had on the point itself, that it is impractical to raise any very considerable sums by direct taxation ... In America, it is evident that we must a long time depend for the means of revenue chiefly on ... duties.”<sup>45</sup>

Other nationalists expressed similar views at the state conventions. James Wilson declared at the Pennsylvania convention that “A very considerable part of the revenue of the United States will arise from that source; it is the easiest, most just, and most productive mode of raising revenue; and it is a safe one, because it is voluntary.”<sup>46</sup> Oliver Ellsworth, in Connecticut, declared that tariffs were “the most fruitful and easy way,” where people would only be individually affected when “he is taking his pleasure, and feels generous; when he is laying out a shilling for superfluities, it takes twopence of it for public use.”<sup>47</sup>

Hamilton called for a high ad valorem rate. He noted that “duties have not upon an average exceeded in any State three percent. In France they are estimated to be about fifteen percent, and

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<sup>44</sup> Ibid., 3:366.

<sup>45</sup> Alexander Hamilton, James Madison and John Jay, *The Federalist* (Washington, D. C.: Regnery Publishing, Inc., 1998), 122-123.

<sup>46</sup> Kurland and Lerner, eds., *Founders Constitution*, 2:416.

<sup>47</sup> Ibid.

in Britain they exceed this proportion. There seems to be nothing to hinder their being increased in this country to at least treble their current amount.”<sup>48</sup>

The *Federalist Papers* addressed the need for import duties to fund the federal government, but Hamilton remained silent over the issue of protection for economic special interests. He did, however, provide some clues about his later policy proposals once the Constitution was ratified. In *Federalist 35* he admitted that duties “operate as an additional tax upon the importing State, whose citizens pay their proportion of them in the character of consumers ... The States which can go farthest towards the supply of their own wants, by their manufactures, will not, according to their numbers or wealth, consume so great a proportion of imported articles as those States which are not in the same favorable situation.”<sup>49</sup> At the state ratifying conventions, Federalists consistently argued that the tariff’s purpose was to cover the costs of the federal government.<sup>50</sup>

Anti-Federalists quickly pointed out potential dangers arising from the Constitution’s taxation powers. “Centinel,” believed to be Samuel Bryan of Pennsylvania, warned that “though there is a provision that all duties, imposts and excises shall be uniform, that is, to be laid to the same amount on the same articles in each state, yet this will not prevent Congress from having it in their power to cause them to fall very unequal and much heavier on some states than on others, because these duties may be laid on articles but little or not at all used in some states, and of absolute necessity for the use and consumption of others.”<sup>51</sup> Similarly, “Brutus” declared that “The legislative power is competent to lay taxes, duties, impost and excises; - there is no limitation to this power ... the legislature ... are the sole judges of what is necessary ... for the

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<sup>48</sup> Hamilton, et al., *The Federalist*, 125-126.

<sup>49</sup> Hamilton, et al., *The Federalist*, 267-268. In light of the *Report on Manufactures*, written only three years later, it is highly likely that Hamilton already possessed a desire to promote American manufactures in 1787-88. However, in light of the contentious debates over ratification, it would have been politically prudent to refrain from sharing these views in the *Federalist Papers*.

<sup>50</sup> Pauline Maier, *Ratification: The People Debate the Constitution, 1787-1788* (New York: Simon & Schuster, 2010), 131, 180, 364, 413-414.

<sup>51</sup> Frohnen, ed., *The Anti-Federalists*, 33, 118.

general welfare; this power therefore is neither more or less, than a power to lay and collect taxes, imposts, and excises, at their pleasure.”<sup>52</sup> Robert Yates of New York, a Convention attendee believed to be the anti-federalist “Brutus,” harbored deep reservations that Congress would possess wide ranging and arbitrary power regarding the tariff.<sup>53</sup>

Anti-Federalist concerns about the power to set tariffs did not mean that they were opposed to industrialization. In fact, a leading Pennsylvania Anti-Federalist, John Nicholson, was involved in manufacturing. Their focus, as historian Saul Cornell shares, was that “Free governments ... were not activists in economic matters”<sup>54</sup>

The ratification of the Constitution in 1788 meant that a coherent national trade policy was finally feasible. While the Constitution created powers, primarily in the hands of Congress, to enact policy, it did not provide guidance in what policy ought to be. That power, and those decisions, would be placed in front of the First Congress when it assembled in early 1789.

### **The New Nation, 1789-1792**

Fisher Ames of Massachusetts bemoaned the state of affairs in New York City in a letter to his friend Richards Minot in a letter dated March 25, 1789. Ames was distressed that Congress had not yet established a quorum and was keenly concerned over the need for the new government to generate revenue. He complained to his fellow lawyer that “This is a very mortifying situation ... we lose £1,000 a day revenue. We lose credit, spirit, everything ... God deliver us speedily from this puzzling state, or prepare my will, if it subsists much longer, for I am in a fever to think of it.”<sup>55</sup>

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<sup>52</sup> Ibid., 376.

<sup>53</sup> Ibid., 372.

<sup>54</sup> Saul Cornell, *The Other Founders: Anti-Federalism & the Dissenting Tradition in America, 1788-1828* (Chapel Hill: The University of North Carolina Press, 1999), 83, 94. Cornell’s ascribes his comment regarding government non-activism to “Federal Farmer.”

<sup>55</sup> Fisher Ames, *Works of Fisher Ames*. ed. W. B. Allen (Indianapolis, Indiana: Liberty Fund, 1984), 560-561.

Ames was delivered from his distress a fortnight later. James Madison of Virginia, on April 8, 1789, introduced the very first American legislative act to the House of Representatives. It was a tariff proposal, which he deemed “to be of the greatest magnitude, a subject, sir, that requires our first attention, and our united exertions.”<sup>56</sup> Madison immediately keyed upon two points. First, it was important to act quickly. The federal government required money reserves to establish its financial credibility and the spring season was a time of increased shipping traffic. Further, whatever legislation was passed need not be permanent. Congress could pass a temporary tariff to meet the government’s immediate needs and revise it at a later date, if necessary.

Madison’s proposals were generally consistent with the free trade principles advocated by Adam Smith in the *Wealth of Nations*. Tariffs would be as low as feasible and not favor any economic special interest. His measure resembled the 1783 Confederation proposal, calling for an *ad valorem* rate on all imports at 5 percent. He added that certain imported liquor and spices should be charged specific duties, including rum, molasses, wine, tea, pepper, sugars, cocoa and coffee. Lastly, Madison added a proviso that extra duties be charged against inbound shipping vessels on a “per ton” basis corresponding to a three tiered rate schedule. American ships would pay the lowest rate, ships from nations possessing trade treaties with the United States would pay a higher rate, and ships from all other nations would pay the highest rate.<sup>57</sup>

Madison intended a tariff structure that would prompt the United States to alter its trading patterns away from Great Britain and towards other foreign nations. He hoped that discriminatory tariffs against British shipping would cause American commerce to become more diversified, preserving the “republican” nature of the United State. As historian Drew McCoy

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<sup>56</sup> 1 Annals of Cong. 107 (1789).

<sup>57</sup> *Ibid.*, 107-108.

notes, he feared British industrialization, with its “new system of public finance, accompanied by the emergence and development of large moneyed companies ... whose influence on government and society was pernicious.”<sup>58</sup>

Other congressmen offered similar “liberal” proposals. Representative Elias Boudinot of New Jersey, the Confederation Congress president in 1783, immediately endorsed Madison’s proposal and moved that “the blanks be filled up in the manner they were recommended to be charged by Congress in 1783.”<sup>59</sup> John Laurance of New York urged an even simpler methodology, proposing “a duty of a certain rate per cent on the value of all articles, without attempting an enumeration of any.”<sup>60</sup>

Other House members insisted that the tariff should incorporate protective elements. Thomas Fitzsimons of Philadelphia shared that “I earnestly wish such a one [tariff] which, in its operation, will be some way adequate to our present situation, as it respects our agriculture, our manufactures, and our commerce.”<sup>61</sup> Like many of the early economic nationalists, the forty-eight year old Irish immigrant, and wealthy merchant, was a Revolutionary War veteran, serving during the Trenton and Princeton campaign.<sup>62</sup>

The comments by Boudinot, Laurance and Fitzsimons illustrate the wide array of existing views on the tariff. Boudinot supported the precedents that had been established in the proposals of 1781 and 1783. Laurance supported an equal tariff for all items, although his motivation was for expediency in putting the new tariff in place as quickly as possible as much as on any

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<sup>58</sup> Lance Banning, *After the Constitution: Party Conflict in the New Republic* (Belmont, California: Wadsworth Publishing Company, 1989), 256-259.

<sup>59</sup> 1 Annals of Cong. 108 (1789); United States Congress; *Biographical Directory of the United States Congress*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=B000661>.

<sup>60</sup> *Ibid.*, 110; *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=L000120>.

<sup>61</sup> 1 Annals of Cong. 110 (1789).

<sup>62</sup> Robert K. Wright, Jr., and Morris J. MacGregor, Jr., *Soldier-Statesmen of the Constitution* (Washington, D. C.: Center of Military History, 1987), 88-90; Charles A. Beard, *An Economic Interpretation of the Constitution of the United States* (New York: The Macmillan Company, 1943), 91.

ideological grounds. Fitzsimons pleaded for a systematic set of duties in place to best advantage the three spheres of agriculture, manufacturing and commerce, a viewpoint influenced by the British example in place throughout the eighteenth century.

Arguments for and against the bill continued over the following month. Madison reiterated the liberal viewpoint, arguing that “the system must be such a one, that, while it secures the object of revenue, it shall not be oppressive to our constituents ... the general regulation of commerce ... ought to be as free as the policy of nations will permit.” He further emphasized that tariffs should be for “revenue alone.”<sup>63</sup> Richard Bland of Virginia expressed concern that protection would result in “a tax upon the whole community, in order to put the money in the pockets of a few, whenever you burthen the importation with a heavy impost.”<sup>64</sup>

Madison conceded four potential conditions justifying departures from free trade. The first was to raise funds necessary to fund the federal government in the absence of other reasonable alternatives. The three additional exceptions were as a form of retaliation against a foreign discriminatory trade policy, on items necessary for national defense, and in times of war.<sup>65</sup>

Nationalists, in contrast to the liberals, wished to include some protective principle in the bill to promote manufactures, creating residual economic benefits for the nation. Fitzsimons extolled that “the small protecting duties laid in Pennsylvania had a great effect towards the establishment of breweries; they no longer imported the article, but, on the contrary, exported considerable quantities.”<sup>66</sup> George Clymer, also of Pennsylvania, related that “a furnace in Philadelphia, with a small aid from the Legislature of Pennsylvania, made three hundred tons [of steel] in two years, and now makes at a rate of two hundred and thirty tons annually.” He added that the House

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<sup>63</sup> 1 Annals of Cong. 107 (1789).

<sup>64</sup> *Ibid.*, 129.

<sup>65</sup> *Ibid.*, 118.

<sup>66</sup> *Ibid.*, 150.

should be “disposed, under these considerations, to extend a degree of patronage to manufacture which a moment’s reflection would convince them was highly deserving protection.”<sup>67</sup> Fisher Ames recognized the need for “the aid of the General Government to divert it [trade goods] to a more natural course ... in America invitation and encouragement are necessary; without them the infant manufacture droops.”<sup>68</sup>

The public closely followed the first tariff debate. As early as April 11, Representative William Smith of Maryland presented a petition from “tradesmen, manufacturers, and others, of the town of Baltimore” requesting tariff protection. Their document suggested that Congress, “by imposing on all foreign articles ... will give a just and decided preference to their labors.”<sup>69</sup> On the 18<sup>th</sup> “the mechanics and manufacturers of New York” presented a similar plea.<sup>70</sup>

On May 16 the final version of the tariff bill passed the House on a vote of 41 to 8.<sup>71</sup> The resulting bill was changed in important ways from the original proposal. Madison had proposed an *ad valorem* tariff together with a short list of specific duties, all of which had been aimed at spirituous beverages. In its place, specific duties were added for the stated purpose of protecting American manufacturing interests. These included tariffs for manufactured goods such as unwrought steel, nails and cordage, agricultural goods such as cotton, indigo and hemp, and for consumer goods such as boots and shoes were all assigned specific duty rates.<sup>72</sup> Table 2.2 summarizes the House vote on a geographical basis:

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<sup>67</sup> Ibid., 153-154.

<sup>68</sup> Ibid., 164.

<sup>69</sup> Ibid., 120.

<sup>70</sup> Ibid., 175.

<sup>71</sup> Ibid., 380. Note that there were no recorded roll calls of Senate votes during Washington’s first term. The Senate’s proceedings were not opened to the public until 1794.

<sup>72</sup> In all, 36 items were enumerated. Most of them were either liquor or luxury items. The remaining items on the list such items as beer, wine, molasses, sugar, tobacco, coffee, and tea, see Douglas A. Irwin, “New Estimates of the Average Tariff of the United States, 1790-1820,” *The Journal of Economic History* Volume 63, No. 2 (Jun, 2003): 511.



**Table 2.2.** Ratification Vote of the Tariff of 1789 by Region

Region	States	Ayes	Nays
New England	(CT, MA, NH, RI)	11	3
Atlantic	(DE, NJ, NY, PA)	11	5
Chesapeake	(MD, VA)	14	0
South	(GA, NC, SC)	<u>5</u>	<u>0</u>
Totals		41	8

Source: 1 Annals of Cong. 380 (1789).

The eight nay votes were all cast by members from Northern states. All three New Jersey representatives, led by Boudinot, voted against, as did two from Massachusetts, and one each from Connecticut, New York and Pennsylvania.<sup>73</sup> Historian Norman Risjord notes that “Anti-Federalists, both in and out of Congress voiced objections” to any principle of protection and economic preference.<sup>74</sup> However, these concerns did not translate into votes against the bill on the House floor, as shown in Table 2.3:

**Table 2.3.** Ratification Vote of the Tariff of 1789 by Political Affiliation

Political Affiliation	Ayes	Nays
Pro-Administration	22	8
Anti-Administration	<u>19</u>	<u>0</u>
Totals	41	8

Source: 1 Annals of Cong. 380 (1789); Rudolph Bell, *Party and Faction in American Politics: The House of Representatives, 1789-1801* (Westport Connecticut: Greenwood Press, 1973), 252-253.

The Senate introduced the tariff on May 21 and began debate five days later. Immediately, a number of senators, including Tristram Dalton (MA), Ralph Izard (SC), Richard Henry Lee (VA), Robert Morris (PA), Caleb Strong (MA), and Paine Wingate (NH) attacked the House

<sup>73</sup> 1 Annals of Cong. 380 (1789). 380.

<sup>74</sup> Norman K. Risjord, *Chesapeake Politics, 1781-1800* (New York: Columbia University Press, 1978), 344.

bill's feature charging different tonnage duties based upon a ship's national origin, suggesting free trade tendencies. Virginia's William Grayson opposed import duties all together.<sup>75</sup>

Strong protectionist sentiments also existed in the Senate. The Georgia and South Carolina delegations members successfully argued for an increase to duties on nails and spikes. William Maclay of Pennsylvania desired higher discriminatory duties similar to those established by Pennsylvania during the Confederation period. Maclay noted that a number of enumerated items on the 7.5% *ad valorem* federal schedule had been previously been charged by New York and Pennsylvania at 13% and 12.5%, respectively. He reasoned that "to place the manufacturers of Pennsylvania, who had a claim on the faith of the State, on a worse ground than they stood before, would be injurious in a degree to their private property."<sup>76</sup>

The Senate debate concluded on June 11 when its modified version of the bill passed. Senate sessions were held in private, but Senator Maclay noted in his journal that Delaware, Maryland, New Jersey and Pennsylvania favored protection for manufacturing but there was opposition "from the North, and still more particularly from the South."<sup>77</sup> The Senate and House versions of the bill were resolved by committee. Madison's proposal to construct a tiered system of tonnage duties favoring nations that were parties to commercial treaties was rejected by the Senate, and the end result was a single schedule of rates for all imports.<sup>78</sup> On July 4, 1789 President Washington signed the bill into law.<sup>79</sup>

During the 1789 debates, nationalists argued that American commercial and manufacturing interests should be protected. The preamble of the act stated that "it is necessary for the support

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<sup>75</sup> William Maclay, *The Journal of William Maclay, 1789-1791* (New York: Frederick Ungar Publishing Company, 1965), 43, 50, 54.

<sup>76</sup> *Ibid.*, 53, 56, 60.

<sup>77</sup> *Ibid.*, 71

<sup>78</sup> Ralph Ketchum, *James Madison, A Biography* (Newtown, Connecticut: American Political Biography Press, 1971), 282.

<sup>79</sup> Stanwood, *American Tariff Controversies*, 58.

of government ... and the encouragement and protection of manufacturers, that duties be laid on goods, wares and merchandises imported into the United States from any foreign port or place.”<sup>80</sup> Nineteenth century historian William Hill contended that protection “was at least as important as any other motive in securing passage of the Act which laid the foundation of the tariff system.”<sup>81</sup>

Senator Fisher Ames of Massachusetts opposed protection to encourage manufactures. Instead, he expressed a desire to keep tariff rates low in order to promote commerce, a matter dear to his merchant friends and constituents back in Boston. In the midst of the debates, Ames wryly informed his merchant friend Samuel Henshaw that “we are busy in contriving an act to get your money. I fear that by straining duties too high, we shall find that you have tied hard knots in the purse strings.” In the same letter, the Massachusetts representative complimented his House compatriots in the end by stating that “the general wish is to favor the agricultural trade & arts of the country by moderate duties on foreign ships and goods – Indeed, sir, the members are principally solid moderate men.”<sup>82</sup>

During the summer of 1790 it became clear to Treasury Secretary Alexander Hamilton that the revenue stream from the 1789 tariff bill was insufficient to meet the nation’s projected expenses. He suggested covering the shortfall by an excise tax, but this proposal died in Congress and in its place Hamilton introduced a new tariff bill. The Tariff of 1790 was primarily aimed at increasing revenues using the structural platform established by the Tariff of 1789. Hamilton proposed raising most tariff levels by 50 percent over those established in 1789 in order to achieve added revenues. The House passed the bill on July 19 after brief debate by a

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<sup>80</sup> Northrup and Turney, eds., *Encyclopedia of Tariffs and Trade*, 3:1.

<sup>81</sup> William Hill, “Protective Purpose of the Tariff Act of 1789,” *The Journal of Political Economy* Volume 2, No. 1 (Dec, 1893): 54.

<sup>82</sup> Ames, *Works of Fisher Ames*, 560-561

vote of 39 to 13.<sup>83</sup> The Senate approved the bill on August 5 and President Washington signed it into law on August 10.<sup>84</sup> Tables 2.4 and 2.5 summarize the votes by region and political affiliation:

**Table 2.4.** Ratification Vote of the Tariff of 1790 by Region

Region	States	Ayes	Nays
New England	(CT, MA, NH, RI)	5	9
Atlantic	(DE, NJ, NY, PA)	14	1
Chesapeake	(MD, VA)	10	2
South	(GA, NC, SC)	<u>10</u>	<u>1</u>
Totals		39	13

Source: 2 Annals of Cong. 1741 (1790).

The 1790 bill included a 7.5 percent ad valorem rate for most enumerated goods. A notable change from the 1789 act was a reduction to the stated duty rate on hemp (a raw material) and an increase on the stated duty rates on cordage and steel (finished products). Also, a number of finished manufactured goods were taxed at a 10 percent ad valorem rate.<sup>85</sup> Even with these modifications, the legislation handily passed and was strongly supported in the House by almost every region, New England being the exception.

**Table 2.5.** Ratification Vote of the Tariff of 1790 by Political Affiliation

Political Affiliation	Ayes	Nays
Pro-Administration	19	11
Anti-Administration	<u>20</u>	<u>2</u>
Totals	39	13

Source: 2 Annals of Cong. 1741 (1790); Bell, *Party and Faction*, 252-253.

An analysis of the House votes during the First Congress, which considered the Tariffs of 1789 and 1790, reveals a highly fluid situation on the tariff issue. Forty members of the House cast roll call votes on both bills. Of this number, fourteen (35 percent) changed their voting

<sup>83</sup> 2 Annals of Cong. 1741 (1790). Note that the *Annals* states that the vote was 40 to 15, but the actual roll call only shows 39 aye and 13 nay votes.

<sup>84</sup> Stanwood. *American Tariff Controversies*, 1:75.

<sup>85</sup> *Ibid.*, 1:75.

position between 1789 and 1790. The reasons for vote changes were undoubtedly varied, but this pattern suggests that many members were still evolving their views of trade policy between 1789 and 1790.

The 1790 tariff bill responded to short-term needs, and consequently Hamilton didn't incorporate any significant features from his famous *Report on Manufactures*, published the following year. By 1792 he was prepared to do so, and a new tariff bill was introduced to the House that included many of his recommendations. The bill passed by a vote of 37 to 20.<sup>86</sup> It was not strongly protectionist in nature. There was no overt statement promoting protection, as there was in the 1789 bill. Duties on cotton were eliminated, on hemp significantly increased, and most other rates were only slightly increased. The preface of the bill innocuously stated that it was "An act for raising a further sum of money for the protection of the frontiers."<sup>87</sup>

The brief debates indicate that many House members were interested in either significant protection for various special economic interests or eliminating all protective elements of the tariff, positions consistent with the ideological differences between the economic nationalists and liberals. Representative John Steele of North Carolina, who eventually voted for the bill, argued that his state produced significant levels of hemp and cotton and believed that "the principles of reciprocity ... [make it] just and equal to extend encouragement to the agricultural interest."<sup>88</sup> John Page of Virginia, who voted against the bill, remarked that the bill was merely "an encouragement to the manufacturers and fisheries."<sup>89</sup>

A breakdown of the 1792 roll call vote based on geography is summarized in Table 2.6:

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<sup>86</sup> 3 Annals of Cong. 572 (1792).

<sup>87</sup> Northrup and Turney, eds., *Encyclopedia of Tariffs and Trade*, 3:7.

<sup>88</sup> 3 Annals of Cong. 561 (1792).

<sup>89</sup> *Ibid.*, 569.

**Table 2.6.** Ratification Vote of the Tariff of 1792 by Region

Region	States	Ayes	Nays
New England	(CT, MA, NH, RI, VT)	14	2
Atlantic	(DE, NJ, NY, PA)	13	2
Chesapeake	(MD, VA)	6	8
South	(GA, NC, SC)	<u>4</u>	<u>8</u>
Totals		37	20

Source: 3 Annals of Cong. 572 (1792).

An initial review might suggest that Hamilton's proposals sparked regional reactions. His measure enjoyed significant support in the two northernmost regions and only tepid support in the two southernmost regions. However, there was a strong minority vote favor of the bill in both southern regions, totaling 38.5 percent of the vote. South Carolina actually favored the bill and every southern state except Georgia cast at least one vote in favor.

An alternate interpretation of this vote can be made. By 1792, rudimentary semblances of organized political parties were emerging in the United States, partly prompted by Hamilton's banking and tariff proposals. Rudolph Bell's *Party and Faction in American Politics* lists the unofficial party affiliations of House members during 1790s. The fifty-seven House members that voted were categorized as Federalist (reported as "pro-administration") or Republican (reported as "anti-administration"). If the vote is alternatively analyzed by party affiliation, the pattern is as follows in Table 2.7:

**Table 2.7.** Ratification Vote of the Tariff of 1792 by Political Party

Party Affiliation	Ayes	Nays
Pro-Administration	27	5
Anti-Administration	<u>10</u>	<u>15</u>
Totals	37	20

Source: 3 Annals of Cong. 572 (1792); Bell, *Party and Faction*, 253-254.

The table shows that Hamilton's Federalist faction overwhelmingly supported his program for establishing tariff protection for American manufactures. The remaining Republican

representatives generally opposed the bill, but were more divided. This breakout suggests that emerging party, serving as a proxy for ideological views, impacted the 1792 vote.

### **Alexander Hamilton and Economic Nationalism**

Only two months after signing the 1789 tariff bill, President Washington filled the post of Secretary of Treasury. The concept of a presidential cabinet, and a treasury department, was absent from the Constitution and consequently required a legislative act, which passed in September.<sup>90</sup> Alexander Hamilton, only thirty-two years old, was confirmed to the post that same month.<sup>91</sup>

In December 1791, the Secretary of the Treasury published the *Report on Manufactures*. This was the third major report that Hamilton presented to Congress, following ones concerning public credit and a national bank. The *Report* called for the United States to embrace and encourage industrialization in order to achieve national economic power and to provide the country with the means to defend itself against foreign powers.

The pressing problem Hamilton addressed was that the American economy, now separated from the British system, and with a paltry manufacturing base, was vulnerable. In the face of this harsh reality, Hamilton felt it essential that United States be “independent of foreign nations, for military and other essential supplies.”<sup>92</sup> The restrictive trade policies carried out by many of the most significant European powers created “the consequence ... that the United States are ... precluded from foreign Commerce. They can indeed, without difficulty obtain from abroad the manufactures supplies, of which they are in want; but they experience numerous and very

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<sup>90</sup> Chernow, *Hamilton*, 280-281, 286-288.

<sup>91</sup> Richard Brookhiser, *Alexander Hamilton, American* (New York: The Free Press, 1999), 80-81.

<sup>92</sup> Alexander Hamilton, *Report on Manufactures* (1790), retrieved from Northrup and Turney, eds., *Encyclopedia of Tariffs and Trade*, 2:63-124

injurious impediments to the emission and vent of their own commodities.”<sup>93</sup> He added that “The regulations of several countries, with which we have the most extensive intercourse, throw serious obstructions in the way of the principal staples of the United States. In such a position of things, The United States cannot exchange with Europe on equal terms.”<sup>94</sup> Hamilton recognized the damages created by trade imbalances during the 1780s.

Like many early nationalists such as Washington and Fitzsimons, Hamilton served in the Revolutionary War and his nationalist opinions were shaped by that experience. He witnessed the material shortcomings of the Continental army, and wished to prevent any recurrences in any future war. The *Report* stated that “The extreme embarrassments of the United States during the late War, from an incapacity of supplying themselves, are still matter of keen recollection.”<sup>95</sup>

The Treasury Secretary argued that stimulating domestic manufacturing was essential for the nation’s security. He emphasized that “Manufacturing ... ought to be pursued respecting its encouragement ... the establishment and diffusion of manufactures have the effect of rendering the total mass of useful and productive labor in a community, greater than it would otherwise be.”<sup>96</sup> The *Report* laid out a deliberate and systematic argument for a national support of manufacturing. The overriding theme is summarized in Hamilton’s declaration that “Not only the wealth, but the independence and security of a Country, appear to be materially connected with the prosperity of manufactures. Every nation, with a view to those great objects, ought to endeavor to possess within itself the all the essentials of national supply. These comprise the

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<sup>93</sup> Ibid.

<sup>94</sup> Ibid.

<sup>95</sup> Ibid., Washington, though he never publically spoke, firmly supported Hamilton’s *Report*, see Ron Chernow, *Washington: A Life* (New York: The Penguin Press, 2010), 672.

<sup>96</sup> Alexander Hamilton, *Report on Manufactures* (1790).



means of *Subsistence, habitation, clothing, and defence.*<sup>97</sup> Hamilton argued that manufactures could produce wealth, rejecting Physiocrat notions that only agriculture could.<sup>98</sup>

Hamilton proposed two tactical approaches to encouraging manufactures: the placement of import duties to raise the price of imported goods, and subsidization of domestic industries through bounties and premiums. He wanted to create “inducements to the promotion of Manufactures in the United states ... which have been employed with success in other Countries ... [including] duties on those foreign articles which are the rivals of the domestic ones, intended to be encouraged ... [and] prohibition of rival articles or duties equivalent to prohibitions.”<sup>99</sup> The *Report* proposed increasing duties for a number of essential goods, including iron, steel, copper, glue, cotton and wool. Hamilton believed that, in order to attract financial capital and skilled workers to nascent American industries, it was necessary to establish an economic framework that assured continuity and stability for long periods of time. While he conceded high tariffs created higher domestic prices, these profits also generated stability and long-term growth. Hamilton argued that, after a period of protection, “internal competition, which takes place, soon does away with everything like Monopoly, and by degrees reduces the price of the Article to the *minimum* of reasonable profit ... in a national view, a temporary enhancement of price must always be well compensated by a permanent reduction of it.”<sup>100</sup>

The second methodology Hamilton sought was the use of bounties and premiums. Bounties were, in effect, a bonus paid by the federal government to producers on a “per item” basis. Premiums were lump sum grants, dispensed by the federal government, to encourage investors to

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<sup>97</sup> Ibid.

<sup>98</sup> Douglas A. Irwin, “The Aftermath of Hamilton’s “Report on Manufactures”,” *The Journal of Economic History* Volume 64, No. 3 (September, 2004): 802.

<sup>99</sup> Northrup and Turney, eds., *Encyclopedia of Tariffs and Trade*, 2:69, 98-99; see also Douglas A. Irwin, *Against the Tide, an Intellectual History of Free Trade* (Princeton, New Jersey: Princeton University Press, 1996), 122.

<sup>100</sup> Hamilton, *Report on Manufactures* (1790)

develop new technologies and establish infrastructure for preferred industries. Ultimately, import duties proved more politically feasible. The proposal for bounties and premiums never garnered sufficient support to become an integral component of American trade policy.

The *Report* cited empirical evidence to validate why manufacturing was desirable. Hamilton noted that “Since the Revolution, the States, in which manufactures have most increased, have recovered fastest from the injuries of the late War, and abound most in pecuniary resources.”<sup>101</sup> One success story was found in the iron industry, where “Iron works very greatly increases in the United States ... the average price before the revolution was about Sixty four Dollars per Ton – at present it is about Eighty; a rise which is chiefly to be attributed to the increase of manufactures of the material.”<sup>102</sup>

Hamilton’s proposals were not totally adverse to the principles espoused in *The Wealth of Nations*. Although he did not embrace Adam Smith’s call for free trade, Hamilton endorsed Smith’s call for economic specialization in the production process. He observed that “the results of human exertion may be immensely increased by diversifying its objects. When all the different kinds of industry obtain in a community, each individual can find his proper element, and can call into activity the whole vigor of his nature. And the community is benefitted by the services of its respective members, in the manner in which each can serve it with most effect.”<sup>103</sup>

Hamilton insisted that manufacturing and agriculture economically complimented one another. He stated that manufacturing increases benefitted farmers’ “*productive powers*, whether to be derived from an accession of Skill, or from the application of ingenious machinery.” The farmer also enjoyed “an extensive domestic market for the surplus produce of the soil.” In turn, manufacturers benefitted because “the labour of the Artificer consequently, may be regarded as

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<sup>101</sup> Ibid.

<sup>102</sup> Ibid.

<sup>103</sup> Ibid.

three parts; one by which the provisions for his subsistence and the materials for his work are purchased of the farmer, one by which he supplies himself with manufactured necessaries, and a third which constitutes the profit on the Stock employed.”<sup>104</sup>

The *Report on Manufactures* is the first significant literature describing the key tenets of American economic nationalism. Hamilton’s great goals were national security and economic prosperity. He foresaw the consequences of the current British industrial revolution, believing that other nations needed to develop their own manufacturing base to preserve their political security. He concluded that this critical national priority wouldn’t happen fast enough if left to natural market forces. Governmental support was necessary to encourage manufacturing and to ensure that new industries enjoyed both near-term profitability and long-term continuity.

In some respects, the *Report* occupied common ground with Madison and the free traders, and in others it did not. As Madison pointed out in the 1789 debates, national defense was an appropriate framework under which to craft discriminatory tariffs. Where the sides essentially differed was in the preferential treatment for manufactures under an “infant industry” argument.

While Hamilton admired many British political and economic characteristics, and exhibited pro-British sympathies throughout the 1790s, he didn’t wish to replicate the British mercantilism. Instead, Hamilton viewed Britain industrialization as the economic example for the United States to follow. He advocated achieving that end through protection.

### **Trade Policy from 1793 to 1800**

By Washington’s second term, American trade policy was established. Its features mixed both nationalist and liberal ideas. Import duty rates were low, accommodating free traders. At the same time, mild discriminatory tariffs on a number of items placated economic nationalists. This arrangement worked, and historian Rudolph Bell concludes that “delegates, at least some of

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<sup>104</sup> Ibid.

them some of the time, compromised narrow economic interests and formulated policies they believed were in the national interest ... in the late 1790s delegates felt no pressing need to produce new policy outputs.”<sup>105</sup>

Congress maintained these general trade policies through the remaining years of the Washington and Adams presidencies. Two additional tariffs passed through Congress during this time period, one in 1794 and the other in 1796. Both tariff bills gradually increased the overall tariff rate. These bills, however, solely responded to the growing revenue needs of the federal government and didn't represent any fundamental shift in policy.

Increased revenues became necessary because American diplomatic relations with the major European powers become increasingly strained, requiring added military expenditures. The tariff bills of the 1790s succeeded in providing adequate federal revenues. For the twelve years between 1789 and 1800, the federal government operated on a breakeven basis, and tariff revenues comprised 88% of total revenues.<sup>106</sup>

The major issue impacting trade policy during this period was relations with Great Britain. In early 1794 the Royal Navy began interdicting American shipping to, and from, the French West Indies.<sup>107</sup> A trade war, or worse, a direct military confrontation with Britain was problematic, as it represented about three-quarters of American foreign trade.<sup>108</sup> The Washington administration dispatched Chief Justice John Jay to negotiate with the British in hopes of averting outright conflict.

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<sup>105</sup> Bell, *Party and Faction*, 98-99.

<sup>106</sup> Carter, et al. ed., *Historical Statistics of the United States*, 5:80-82. Overall revenues and expenses for this period were \$67.652m and \$68.352m, respectively, meaning that the overall shortfall approximated 1% of total revenues.

<sup>107</sup> Gordon S. Wood, *Empire of Liberty: A History of the Early Republic, 1789-1815* (New York: Oxford University Press, 2009), 194.

<sup>108</sup> Stanley Elkins and Eric McKittrick, *The Age of Federalism: The Early American Republic, 1788-1800* (New York: Oxford University Press, 1993), 131.

Jay's Treaty was drafted in November 1794 and presented to the Senate for consideration in June of 1795. While the treaty successfully defused a volatile diplomatic situation, it didn't alter the trade situation between the two countries. The British made minor concessions, allowing "the citizens of the United States to carry to any of His Majesty's islands and ports in the West Indies from the United States, in their own vessels, not being above the burthen of seventy tons," the privilege of trading within the British system. The seventy-ton stipulation restricted access to relatively small ships, severely limiting the economic benefits to American merchants.<sup>109</sup>

The treaty preserved the status quo by stipulating that "no other or high duties shall be paid by the ships or merchandise of the one party in the ports of the other than such as are paid by the like vessels or merchandize of all other nations." This provision benefitted the British, as their immense and closed economic system was more capable of providing the Empire's essential needs, allowing the British to place high duties on the imported products of other nations. In contrast, the United States, bereft of a significant manufacturing sector, and reliant upon imports for various consumer needs, was unable to do the same. British merchants continued to pay lower duties entering American ports than Americans did entering British ports.<sup>110</sup>

The Jay Treaty stabilized Anglo-American relations, but strained trade relations with revolutionary France. The treaty abrogated all of the commercial pledges contained in the 1778 Treaty of Amity and Commerce that had been executed between the Continental Congress and royal France. Increased tensions with France culminated in the Quasi-War, lasting from 1798 to 1800, where both the United States and France attacked each other's shipping in an undeclared war upon one another. Trade relations with France soured in 1798 when French privateers attacked American merchant ships. In response, President Adams received congressional

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<sup>109</sup> 4 Annals of Cong. 2504-2519 (1795), Jay's Treaty, Article XII.

<sup>110</sup> Jay's Treaty, Article XV.

approval to establish a Navy department. American naval ships, operating in the West Indies, successfully captured a French privateer frigate and fought another to a draw, effectively ending the short-term crisis without need for a formal treaty.<sup>111</sup>

Despite tensions with both Britain and France, American foreign commerce dramatically expanded. Imports increased from \$23 million in 1790 to \$91 million in 1800, a 396% increase. At the same time exports increased from \$20 million to \$71 million, a 355% increase.<sup>112</sup> The nation continued running net trade deficits, but they were less severe than the 1780s.

Hamilton's overall financial policies successfully created economic stability, stimulating foreign trade. The great outflow of gold from the United States was stemmed. Although trade deficits continued, Americans were more easily able to obtain credit from foreign sources due to an improved international perception of the American economy.

## **Conclusions**

The most significant trade policy development between 1789 and 1800 was the emerging articulation of two competing schools of thought on how American trade policy should be conducted. The discussion remained theoretical, as the United States did not yet possess any substantial manufacturing. There were, at best, loose political coalitions developing on each side of the trade issue. The tariffs enacted during the Washington and Adams administrations helped place American finances on a sound footing.

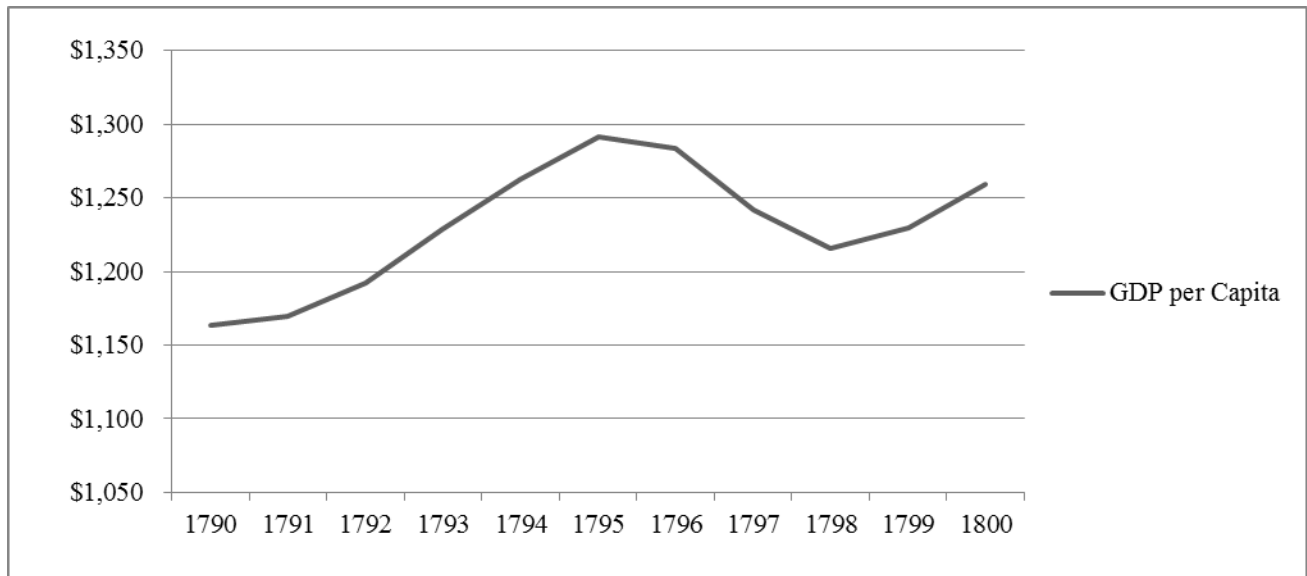
One of the greatest achievements of the American federal government in the 1790s was achieving economic stability. One way to measure the overall economic progress of the new nation is the measure gross domestic product ("GDP") on a per capita basis. Figure 2.1 illustrates how the American economy grew at a moderate pace over an eleven year period,

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<sup>111</sup> Ralph Adams Brown, *The Presidency of John Adams* (Lawrence, Kansas: The University Press of Kansas, 1975), 73-75.

<sup>112</sup> Carter, et al. eds., *Historical Statistics of the United States*, 5:498.

increasing at an annualized rate of 0.7% per annum in real terms.<sup>113</sup> Importantly, there were no major disruptions reminiscent of the prior decade. The overall national output per capita slowed in the latter part of the decade, perhaps adversely impacted by the trade issues arising from Jay's Treaty and the Quasi-war, but was again trending upwards by its end.



**Figure 2.1.** American GDP per Capita, 1790 to 1800 (in real dollars = 1996)  
(3 year rolling average)

Source: Carter, et al., eds., *Historical Statistics*, 1:30, 3:23.

The tariff bills of 1789, 1790 and 1792 established moderate tariff levels, accompanied by slight protective elements. Protection was not confined to manufacturing. Some agricultural products, such as hemp, received preference as well. Due to the relatively low tariff rates, American international commerce expanded and prospered throughout the Washington and Adams presidencies. This can be demonstrated by the fact that imports carried on American ships increased from 355,000 tons in 1790 to 675,000 tons by 1796, while the corresponding

<sup>113</sup> The purpose of measuring GDP per capita in real terms is to create a basis for comparing the general state of an economy over a long period of time. The United States from 1789 to 1860 experienced significant population growth and also inflation. Real GDP involves measuring the output of the economy in terms of “1996 dollars” through use of index modeling. When real GDP is divided by population one arrives at a comparable output from the national economy on a “per person” basis. The above data is presented on a three year rolling basis in order to more easily observe trends.

British share declined from 217,000 tons in 1790 to only 20,000 tons by 1796. American ships accounted for 93 percent of goods imported into domestic ports in 1796.<sup>114</sup>

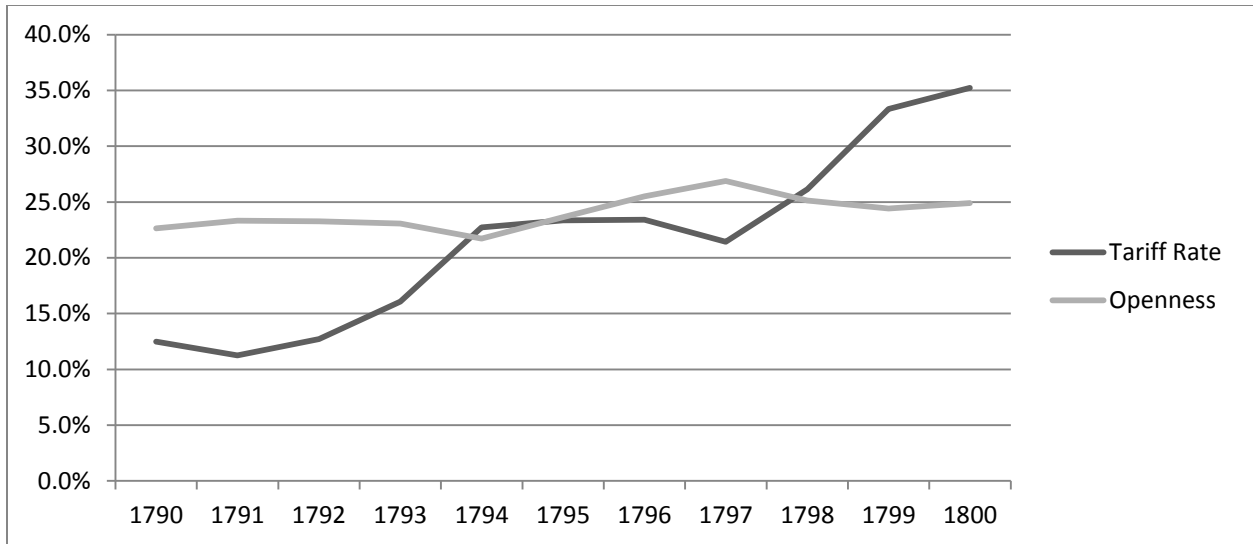
One way of assessing the impact of trade policy on the overall national economy is to measure and analyze what is known as the “Openness” of trade. This measure is arrived at by combining the exports and imports compared to the national GDP for a given time period. The result of this computation, when compared to the average tariff rates in effect for a comparable period, allows for comparison between the amount of foreign trade that is being conducted and the degree of protection that is being created by import tariff duties. One can then analyze and assess whether trade policy might be having either a positive or detrimental impact upon a domestic economy. The Openness of American foreign trade during the Washington and Adams administrations is presented in Figure 2.2.<sup>115</sup>

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<sup>114</sup> Elkins and McKittrick, *The Age of Federalism*, 382.

<sup>115</sup> Until quite recently, annual series of GDP data in nominal terms prior to 1840 for the United States was primarily based on conjecture. However, recent work in 2008 by Dr. Louis D. Johnston of the College of St. Benedict at St. John’s University and Dr. Samuel H. Williamson of The Miami University has helped to address this deficiency. Their methodologies provide credible estimates of GDP for individual years prior to 1840, though should be emphasized that they are only estimates. However, the data suffices for the purposes of demonstrating long-term trends. One way to address the inherent imprecision of these estimates is to use a “rolling average” methodology. The data presented shows the average rates for the measurement year as well as the two immediately previous years. This produces a smoother trend line to assess and analyze, but is not so long as to diffuse the impact of individual tariffs or the policy practices of a given presidential administration.





**Figure 2.2.** American Foreign Trade, 1791 to 1800 (3 year rolling average)

Source: Carter, et al., eds., *Historical Statistics*, 5:498, 510; “Measuring Worth,” <http://www.measuringworth.org/usgdp/>.

Though tariff rates gradually increased throughout the decade in order to increase federal revenues, it is clear that this policy didn’t have any detrimental impact upon either foreign trade or the growth of the American economy. Considering the information from Figures 2.1 and 2.2 in tandem, one can conclude that the domestic economy grew at slow rate and that foreign commerce remained a fairly steady component of that economic activity throughout the decade.

The tariff acts of the 1790s established a system that provided steady federal revenues, and by 1800 the new republic was financially stable. In the course of the accompanying debates, there had been a variety of viewpoints expressed, representing differences in opinions about political economy as well as advocacies for certain special interests, particularly manufacturing. Had the tariff debates exposed serious political rifts over the issue of economic policy? Did a particular regional section embrace manufacturing while another rejected it?

Though tariff levels increased throughout the decade, the increases were quite modest by later standards. While Hamilton encouraged manufacturing in his *Report on Manufactures*, his actions during his time as Secretary of Treasury suggest that he believed that establishing sound

national credit was a higher priority. The tariff was secondary to establishing the Bank of the United States and paying Revolutionary War liabilities.<sup>116</sup>

There is some evidence scattered throughout the Early National period that some sectional tensions were present, aligned with particular regional economic self-interest. George Mason resisted the idea of export duties that might prove harmful to the South during the Convention. William Maclay complained during the Senate debates in 1789 that his protectionist sentiments were “as usual, opposed by the Southern people.”<sup>117</sup> Oliver Ellsworth, at the Connecticut ratifying convention, admitted that one objection to the powers in Section 8 was that it was “partial to the Southern States.”<sup>118</sup> Even Alexander Hamilton addressed the existence of regional economic differences in the *Report on Manufactures*, where he declared that the “ideas of a contrariety of interests between the Northern and southern regions of the Union, are in the Main as unfounded as they are mischievous.”<sup>119</sup>

However, a careful delineation needs to be made between words and actions. The British colonies maintained closer relations to the mother country, rather than one another, throughout the Colonial Era. While the colonies eventually banded together during the Revolutionary War in the face of a common enemy, that bond was neither deep nor warm. Jealousy among the states remained common during the Confederation years and into the Early National period. Mason’s and Maclay’s words reflect the sometimes uneasy relations existing between the states during the late eighteenth century.

A look at the congressional record and the roll call votes between 1789 and 1800 reveal a situation where American economic interests and ideas regarding political economy remained in

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<sup>116</sup> Irwin, “The Aftermath of Hamilton’s “Report on Manufactures”,” 801.

<sup>117</sup> Maclay, *The Journal of William Maclay*, 61.

<sup>118</sup> Kurland and Lerner, ed., *The Founders Constitution*, 2:429.

<sup>119</sup> Hamilton, *Report on Manufactures* (1790).

their infancy. The manufactures sphere comprised a miniscule portion of the national economy and political parties were new, emerging phenomena. Historians Norman Risjord and Gordon DenBoer, using Virginia as an example, note that “from essentially personal factions in the early 1780s there evolved by 1800 political organizations with a disciplined membership, able to formulate a comprehensive program,” adding that economic issues factored in the process.<sup>120</sup>

In 1789, Hamilton’s vision of national industrialism remained possible for any part of the nation. No significant American manufacturing infrastructure was yet in place. The South was not yet dominated by cotton. It produced merely 3,135 bales of cotton in 1790 and Whitney’s cotton gin would not be invented until 1793.<sup>121</sup> In short, there were no significant pre-existing economic special interest groups for or against manufacturing.

Tariff voting patterns in the 1790s reflect rather weak correlations to both geography and party. For example, Georgia and South Carolina pressed for higher tariffs for manufactured items such as steel and nails, contradicting notions that the South rejected industrialization. The Tariff of 1789 contained more protectionist features when it was signed into law than it did when originally proposed by Madison. Yet the only source of nay votes in the House came from Northern representatives. The final bill provided protection for cotton, indigo and hemp, demonstrating that the concept of protectionism could pertain just as easily to agriculture as to manufacturing interests. The roll call for the tariff of 1790 yields similar results. The voting patterns were largely unchanged. Most opposition came from the North, and there was still significant protection offered on behalf of agriculture.

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<sup>120</sup> Norman K. Risjord and Gordon DenBoer, “The Evolution of Political Parties in Virginia, 1782-1800,” *The Journal of American History* Volume 60, No. 4 (March, 1974): 984.

<sup>121</sup> Curtis Nettels, *Emergence of a National Economy, 1775-1815* (White Plains, New York: M. E. Sharpe, 1962), 184, 388.

In 1792, as the First Party System developed, competing Federalists and Republicans began taking opposite stances on trade policy. However, “party” ties were far looser in the 1790s than they would become in the nineteenth century. James Sharp notes that “two loosely formed antagonistic coalition had formed ... each was no more than a proto-party, a premodern, preparty institution.”<sup>122</sup>

Southern political leaders demonstrated a willingness to embrace the possibility that manufacturing could evolve in the South just as easily as in the North. They were as versed in complex commercial enterprise as any of their northern compatriots. Thomas Jefferson, often thought of as the consummate agrarian, provides an example to assert that Southerners were open to the possibility of manufacturing. In 1793, he provided favorable comments regarding Eli Whitney’s gin, believing that this improvement in technology would greatly benefit the nation.<sup>123</sup> One year later, he began operating a nail factory at Monticello, obtaining machinery to assist the process two years later.<sup>124</sup> Historian Forrest McDonald notes that Southern “rice and indigo plantations were entirely commercialized operations, extremely profitable but no more self-sufficient than a modern factory.”<sup>125</sup>

Hamilton and Madison, representing the de facto leadership of the nationalists and liberals during this period, did not differ greatly on “ends.” Both sought American economic strength and diversity. Where they strongly differed was over the issue of “means.” Hamilton demonstrated some liberal inclinations, but ultimately concluded that nationalism was necessary, when he commented that “in matters of industry, human enterprise ought doubtless to be left free

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<sup>122</sup> James Roger Sharp, *American Politics in the Early Republic: The New Nation in Crisis* (New Haven, Connecticut: Yale University Press, 1993), 33-34.

<sup>123</sup> Drew McCoy, *The Elusive Republic: Political Economy in Jeffersonian America* (Chapel Hill: University of North Carolina Press, 1980), 230.

<sup>124</sup> Dumas Malone, *Jefferson and the Ordeal of Liberty* (Boston, Massachusetts: Little, Brown and Company, 1962), 217-218.

<sup>125</sup> Forrest McDonald, *The Presidency of George Washington* (Lawrence, Kansas: University Press of Kansas, 1974), 11.

in the main, not fettered by too much regulation, but practical politicians know that it may be beneficially stimulated by prudent aids and encouragements on the part of the government.”<sup>126</sup>

Hamilton espoused neo-mercantilist “means” in the *Report on Manufactures*, declared “that there is always a higher probability of a favorable balance of Trade, in regards to countries in which manufactures founded on the basis of a thriving Agriculture flourish ... [those] countries ... are likely to possess more pecuniary wealth.”<sup>127</sup> He foresaw American greatness by emulating portions of the British economic system. However, this system, in contrast to the British model, featured open trading with other foreign nations.

Madison also declared a desire for free trade “ends” during the debates. He strongly believed this could only be achieved through liberal policy. A pragmatist, he acknowledged that the United States precariously existed in an economically hostile world. During the 1789 debates asked his fellow legislators to “review the policy of Great Britain towards us ... have we not seen her taking one legislative step after another to destroy our commerce?”<sup>128</sup> Madison’s fear of Britain and its influence on the American economy encouraged him to try to move away from the British economic sphere. His failed 1789 proposal to enact tonnage duties on foreign vessels was an attempt to balance his dual objectives of free trade combined with a nationalist response to Britain’s dominance over American foreign commerce. Historian Drew McCoy neatly sums up Madison’s outlook, stating that the future president “never doubted that American power was ... fully capable of shattering British restrictions on American commerce that threatened the virtue and autonomy of the new Republic.”<sup>129</sup> Both Jefferson and Madison believed that the

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<sup>126</sup> Chernow, *Alexander Hamilton*, 2004), 377; Alexander Hamilton, *The Papers of Alexander Hamilton*, ed. Harold C. Syrett, 25:467.

<sup>127</sup> Northrup and Turney, eds., *Encyclopedia of Tariffs and Trade*, 2:94.

<sup>128</sup> 1 Annals of Cong. 213 (1789).

<sup>129</sup> Drew McCoy, “Republicanism and American Foreign Policy: James Madison and the Political Economy of Commercial Discrimination, 1789 to 1794,” *The William and Mary Quarterly* Volume 31, No. 4 (Oct, 1974): 638-639.

United States could use trade policy as an economic weapon against Britain. This belief contrasted with Hamilton, who encouraged trade with the British in order to fill up the treasury coffers even as he attempted to encourage an self-sustaining American manufactures sphere.<sup>130</sup>

Historian Gordon Wood, in *The Creation of the American Republic*, stated that “perhaps everyone in the eighteenth century could have agreed in theory no state was more beautiful than a republic, whose whole object by definition was the good of the people. Yet everyone also knew that it was a fragile beauty indeed.”<sup>131</sup> Hamilton and Madison sought similar ends, but their differences hinged on the means to this goal. Hamilton and the nationalists, deeply admiring Britain, sought to emulate it through active government support and preferences to emerging economic sectors. Madison and the liberals, fearing the economic concentrations of power inherent in the British system, sought a more egalitarian approach to international trade policy. They were willing to accept a slower pace of national economic development rather than face the feared consequences of a Walpolian system of influence, patronage, and favoritism.

Between 1789 and 1800, Congress successfully established the beginnings of a national trade policy. The opposing views of nationalism and liberalism had been introduced. The actual impact of that policy was, at this stage, minimal. The American economy was small and still predominantly agrarian. Foreign relations, particularly with Great Britain and France, influenced American policy makers far more than trade. However, this introduction of ideas and legislation created a foundation of precedent and context for developing future trade policy as the national economy grew and developed.

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<sup>130</sup> Douglas A. Irwin, *Founding Choices: American Economic Policy in the 1790s*, eds. Douglas A. Irwin and Richard Sylla (Chicago, Illinois: The National Bureau of Economic Research and the University of Chicago Press, 2011), 89-90.

<sup>131</sup> Gordon S. Wood, *The Creation of the American Republic, 1776-1787* (Chapel Hill: The University of North Carolina Press, 1969), 65-66.

By 1789, Madison could satisfactorily state that the new Federal government had established a trade policy that “recovered [the country] from the state of imbecility that heretofore prevented a performance of ... duty.”<sup>132</sup> Nonetheless, as the Democratic-Republicans took over the executive branch from the Federalists in 1801, the ideological differences between nationalists and liberals remained unresolved. Trade policy would soon be a prominent issue as Thomas Jefferson assumed the presidency and relations with Great Britain and France again deteriorated, this time with far greater consequences to American foreign commerce.

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<sup>132</sup> 1 Annals of Cong. 107 (1789).

### CHAPTER 3 – WAR AND EMBARGOES, THE JEFFERSONIAN EXPERIMENT: 1800 TO 1816

*“where a nation is insulted, as we are, the stale doctrine of passive obedience and non-resistance ill becomes an independent nation, much less the American character ... my very soul is fired with just indignation at the unprovoked insults offered the American flag, and the piratical and systematic plundering system adopted by the Government of Great Britain against neutral rights.”*<sup>1</sup>

- Representative Joseph Stanton of Rhode Island (March 13, 1806 remarks to the House)

*“if she is your commercial rival, you are her commercial rival also. This is the very view that I have been endeavoring to take of the subject, to impress on the Committee; to warn the nation against being drawn into a war of commercial rivalry ... If she puts out her strength, you will feel it.”*<sup>2</sup>

- Representative John Randolph of Virginia (March 6, 1806 remarks to the House)

*“Under these impressions deem it an indispensable duty ... respectfully to suggest to Congress that the act, at present in suspension, entitled “An act to prohibit the importation of certain goods, wares, and merchandise,” ... should it go into operation, will not tend to promote the desirable results of national reparation, and amicable adjustment of our differences with Great Britain.”*<sup>3</sup>

- “Philadelphia Memorial,” authored by sundry merchants and traders of Philadelphia and presented to the House of Representatives November 27, 1807

Carl Von Clausewitz, the famed nineteenth-century Prussian military strategist, wrote that “war is not merely an act of policy but a true political instrument, a continuation of political intercourse, carried on with other means.”<sup>4</sup> The War of 1812 was the final military chapter of a much longer economic trade war between the United States and Great Britain that erupted during Thomas Jefferson’s first presidential term. Jefferson, and his successor, James Madison, both strongly believed that trade could be successfully used by the United States against European powers, and specifically Great Britain, to achieve diplomatic ends.

During the sixteen years that Jefferson and Madison served as chief executive following the “revolution of 1800,” American trade policy was primarily influenced by political events in

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<sup>1</sup> 15 Annals of Cong. 766 (1806).

<sup>2</sup> Ibid., 600.

<sup>3</sup> 17 Annals of Cong. 962 (1807).

<sup>4</sup> Carl Von Clausewitz, *On War*, eds. and trans. by Michael Howard and Peter Paret (New York: Alfred A. Knopf, Inc., 1993), 99.



Europe. These close personal friends, and strong political allies, embarked on a radical experiment in American trade policy in reaction to increased tensions between the United States and the great European powers, and particularly to perceived grievances with Great Britain. Their response included attempts to restrict, and eventually halt, American foreign trade. These efforts were accomplished through three major legislative initiatives: The Non-Importation Act of 1806, the Embargo Act of 1807, and the Non-Intercourse Act of 1809.

Ultimately, this economic strategy, employed to achieve political objectives, proved futile. The United States went to war in 1812, suffering political and military embarrassments over the following three years. The war's scars influenced American attitudes towards trade policy for the remaining antebellum period. Historian Bradford Perkins describes the efforts of these two presidents: "In an age of power, they appealed to abstract rights and employed – more precisely, misemployed – only weapons of economic warfare."<sup>5</sup>

There would be one important economic side effect arising from the failed Jeffersonian Experiment. The absence of British competition for almost ten years allowed an embryonic American manufacturing sphere to spring into existence. The United States was introduced to the First Industrial Revolution and the initial "takeoff" of American industrialization was underway in 1815 as the War came to a close.

Both Jefferson and Madison openly expressed free trade sympathies during the 1790s. Jefferson was deeply influenced by his friendship with Pierre Samuel Du Pont de Nemours, who introduced him to physiocratic views of political economy.<sup>6</sup> Du Pont, who came to the United States in 1799, had been a protégé of Quesnay, and his own writings stressed the need for nations

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<sup>5</sup> Bradford Perkins, *The Creation of a Republican Empire, 1776-1865* (New York: Cambridge University Press, 1993), 118.

<sup>6</sup> Andrew Burstein and Nancy Isenberg, *Madison and Jefferson* (New York: Random House, 2010), 390-391.

to engage in free trade that embraced both import and export activities.<sup>7</sup> Jefferson and Madison viewed free trade as an indispensable component of the brand of republicanism they wished for the United States. How then, could these men sympathize with free trade ideology, and yet enact a series of policies that represented the antithesis of free trade principles?

The answer is that both men believed that the “means” of restricted trade were justified by an “end” goal of free trade. They were willing to assume the political risks associated with a contradictory short-term trade policy in the hope that the long-term benefits would result and far outpace the immediate economic pain and sacrifice. Ultimately, both Jefferson and Madison shifted their personal stances towards a more nationalist view of trade policy by 1816. In the process, they took most of their fellow Republicans with them.

Any analysis of Republican trade legislation between 1806 and 1808 should begin with understanding why they believed this policy could be successful. Jefferson and Madison believed that trade policy could be manipulated under certain circumstances to achieve important political ends. Madison had previously acknowledged this “carve out” exception to free trade practice during the 1789 tariff debates.<sup>8</sup>

Republicans unsuccessfully tried to implement retaliatory trade policies before. As previously noted, Madison advanced his tonnage duty proposal in 1789. This initiative, which Congress rejected, sought to establish discriminating import duties against the British in response to their high duties levied against American imports. Madison again advanced tonnage duties against the British during the 1794 tariff debates, but his effort was stymied by Alexander Hamilton. The tonnage proposals created an odd situation, where free-trader Madison sought

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<sup>7</sup> Pierre Samuel Du Pont de Nemours, *The Economic Writings of Du Pont de Nemours*. ed. James J. McLain (Newark: University of Delaware Press, 1977), 47, 59.

<sup>8</sup> 1 Annals of Cong. 118 (1789).

trade discrimination, and was opposed by Hamilton, who feared the consequences of outright conflict with Britain.<sup>9</sup>

Jefferson's early beliefs on trade can be found in *Notes on the State of Virginia*, published in 1781, and he anticipated that the United States would ultimately be capable of economic self-sufficiency. He commented that "It is not easy to say what articles either of necessity, comfort, or luxury, which we cannot raise, and which we therefore shall be under a necessity of importing from abroad."<sup>10</sup> Later, in 1793, as Secretary of State, Jefferson authored his *Report on Foreign Commerce*, where he stated that "Would even a single nation begin with the United States this system of free commerce, it would be advisable to begin it with that nation ... But should any nation, contrary to our wishes, suppose it may better find its advantage by continuing its system of prohibitions, duties and regulations, it behooves us to protect our citizens, their commerce and navigation, by counter prohibitions, duties and regulations, also."<sup>11</sup> Both statements reflect Jefferson's support of free trade principles. At the same time, like Madison, he acknowledged the possibility that trade discrimination could be justified under certain circumstances.

In his inaugural address, Jefferson established the Republican Party stance on the challenges posed by tenuous relations with Europe, mentioning that the United States was "engaged in commerce with nations who feel power and forget right."<sup>12</sup> The Republican triumph in 1800 marked a sea change in American politics. Federalist Fisher Ames disparagingly described the Republicans: "The guides they take, are not fools but fanatics. Political fanaticism has its run in Virginia ... The extreme sensibility of the good men in Virginia to silly principles and silly

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<sup>9</sup> McCoy. *The Elusive Republic*, 137-145, 162-164.

<sup>10</sup> Jefferson, *Notes on the State of Virginia*, 169.

<sup>11</sup> Thomas Jefferson., *Jefferson: Writings*, ed. Merrill D. Peterson (New York: The Library of America, 1984), 443-444.

<sup>12</sup> John Gabriel Hunt, ed., *The Inaugural Addresses of the Presidents* (New York: Gramercy Books, 1997), 24.

people, has ever been characteristic ... They are not ashamed, in Virginia, of most of the disorganizing dogma of Tom Paine.”<sup>13</sup>

Ames’s concerns included trade policy. In January 1801, while the presidential election was in the hands of the House of Representatives, Ames wrote “if Jefferson would provide ... that he would not countenance ... Madison’s empiricism in regards to trade ... would it not be safer to take him?”<sup>14</sup> He hoped that Jefferson would reject Madison’s strong free trade views when shaping the administration’s policies. The United States, since 1789, had employed a “middle ground” approach appeasing both economic nationalists and free traders. Low overall tariff rates included discriminatory rates offering mild protection to select industries. The small federal government required low revenues, and “protected” commercial interests comprised a negligible portion of the national economy.

One of the Federalist fears arising from the “Revolution of 1800” was that Jefferson and the Republicans would shift trade policy towards free trade at the expense of Hamilton’s vision for active Federal government support to develop the nation’s infant industries. Historian Drew McCoy described the Jefferson and Madison administrations as “a sustained Jeffersonian attempt to secure the requisite conditions for a republican political economy.”<sup>15</sup> The Jeffersonian paradigm included free trade as foundational for any nation desiring to be politically free and economically prosperous. Republicans earnestly believed that global free trade would tighten the bonds between nations, and increase prospects for international peace.<sup>16</sup>

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<sup>13</sup> Ames, *Works*, 1347-1348.

<sup>14</sup> *Ibid.*, 1405-1406. Ames was referring to a preference to Jefferson over Aaron Burr.

<sup>15</sup> McCoy, *Elusive Republic*, 187. McCoy’s work provides an excellent and detailed description of what the early republicans (or, as I often refer to them in the context of trade policy, as “liberals” or “free traders”) believed on a host of economic issues, including, but certainly not limited to, foreign trade policy.

<sup>16</sup> Wood, *Empire of Liberty*, 630.

## The Emerging American Economy

Americans living between 1790 and 1820 generally acknowledged that the domestic economy was built on a foundation of three major activities. These were agriculture, commerce and manufacturing. When the United States census categorized citizens by occupation for the very first time in 1820, it used these categories.

The American population was predominantly agricultural throughout the early nineteenth century. The 1820 census indicated that 83% of American workers worked on farms, and agriculture dominated economic activity throughout all of the nation's regions. In Massachusetts, the most industrialized state in the Union, a majority of 58% of the population nonetheless engaged in agriculture.<sup>17</sup> Although agriculture was the largest economic sphere, manufacturing and commerce were growing in size and importance throughout the three decades after the Constitution.

American economic nationalists anticipated the emergence of these two newer economic sectors. Historian Lawrence Peskin notes that the nationalists "valued social harmony over individual self-interest, frequently declaring that the various national economic interests should work together as a unified system."<sup>18</sup> Alexander Hamilton argued throughout the 1790s that government was a necessary guide in this process. His vision was partially fulfilled during this time period as various congressmen argued for using the tariff to promote various economic interests from all three economic sectors.

Hamilton's efforts to promote manufactures in the United States slowly took root, even after his untimely death in 1804. In 1810, Tench Coxe was retained by the federal government to conduct a census of American manufactures. Coxe was a logical selection, previously serving as

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<sup>17</sup> United States Census, 1820, <http://mapserver.lib.virginia.edu/php/start.php?year=V1820>.

<sup>18</sup> Lawrence A. Peskin, *Manufacturing Revolution: The Intellectual Origins of Early American Industry* (Baltimore, Maryland: The Johns Hopkins Press, 2003), 5-6.

secretary of the Pennsylvania Manufacturing Society in the late 1780s and as Hamilton's Assistant Secretary of the Treasury, beginning in 1790. Coxe helped prepare the *Report on Manufactures* and was on close terms with early economic nationalists such as Thomas Fitzsimons.<sup>19</sup>

In 1814, Coxe published *A Statement of the Arts and Manufactures of the United States of America, for the Year 1810*. This remarkable work provides a wealth of information regarding the early American manufactures sector. It revealed that American manufacturing was highly decentralized and that there were no domestic industries yet on par with foreign competitors.

Coxe's work measured manufacturing establishments and extrapolated an estimate of the total value of manufactures in the United States. His findings are summarized as follows:

**Table 3.1.** United States Manufactures, 1810 (asset values, in thousands)

Region	Reported		Estimated	
	Value	%	Value	%
New England (CT, MA, NH, RI, VT)	36,096	28%	48,147	28%
Atlantic (DE, NJ, NY, PA)	52,352	41%	67,850	39%
Chesapeake (MD, VA)	18,721	15%	27,833	16%
South (GA, NC, SC)	10,240	8%	13,936	8%
West (KY, OH, TN)	8,816	7%	12,686	8%
Western territories	<u>1,470</u>	<u>1%</u>	<u>2,311</u>	<u>1%</u>
Totals	127,695	100%	172,763	100%

Source: Tench Coxe, *A Statement of the Arts and Manufactures of the United States of America, for the Year 1810* (Philadelphia, Pennsylvania: A. Cornman, 1814), 36, 38.

Although manufactures were developing in all parts of the nation, the bulk of manufacturing assets were located along the nation's northern Atlantic coast. The greatest concentration was found in Pennsylvania, followed by New York and Massachusetts. The initial "takeoff" of American industrialization was concentrated geographically in the Northeast.

<sup>19</sup> Jacob E. Cooke. "Tench Coxe, Alexander Hamilton, and the Encouragement of American Manufactures," *The William and Mary Quarterly* Third Series, Volume 32, No. 3 (Jul, 1975), 369-371; Coxe's nationalist credentials were impressive. He was actively involved in founding the Philadelphia Society of Artists and Manufacturers, the Philadelphia Domestic Society, the Philadelphia Manufacturing Society (with Mathew Carey), and the Philadelphia Society for the Promotion of American Manufacturing (also with Mathew Carey), see Cooke, *Tench Coxe and the Early Republic* (Chapel Hill: The University of North Carolina Press, 1978), 493-494.

Coxe reported that the nation's most significant manufacturing activity was finished clothing, comprising almost 31% of all domestic manufactures. The next largest outputs were "hides and skins" (14%) and alcoholic beverages (13%). Smaller portions of American production were dedicated to producing other capital goods, essential for an industrializing economy, including iron manufacturing (11%), and machine tooling (5%).<sup>20</sup>

The report contained detail accounting of manufactures by state and county, and its commentary described the economic specialization occurring in various regions in response to their respective natural advantages. New England was home to a significant cloth manufacturing industry. Pennsylvania and Virginia possessed many iron foundries. Southern states specialized in activities tied to large scale agriculture, primarily cotton and rice. Coxe prophetically noted that "the cotton branch will probably, nay certainly, become, *very soon*, the most considerable of our manufactures ... *Capitalists can most easily extend themselves in the cotton manufacture, because the raw material is abundant and capable of being conveniently and promptly increased.*"<sup>21</sup>

A comparison of Coxe's report to the 1810 census summarized the state of early American industry. Table 3.2 confirms a higher level of industrialization in both New England and Atlantic states, but also shows meaningful levels of industrialization in other regions as well.

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<sup>20</sup> Tench Coxe, *A Statement of the Arts and Manufactures of the United States of America, for the Year 1810*. (Philadelphia, Pennsylvania: A. Cornman, 1814), 37.

<sup>21</sup> *Ibid.*, xxviii.

**Table 3.2.** United States Manufactures, 1810 (asset values per capita, in thousands)

Region	Estimated Value	Population	Manufacturing Assets Per Capita
New England (CT, MA, NH, RI, VT)	48,147	1,472	\$32.71
Atlantic (DE, NJ, NY, PA)	67,850	2,088	\$32.50
Chesapeake (MD, VA)	27,833	1,356	\$20.53
South (GA, NC, SC)	13,936	1,222	\$11.40
West (KY, OH, TN)	12,686	900	\$14.10
Western territories	<u>2,311</u>	<u>n/a</u>	<u>n/a</u>
Totals	127,695	7,038	\$24.22

Source: Coxe, *Statement of the Arts and Manufactures*, 38; United States Census, 1810, <http://mapserver.lib.virginia.edu/php/start.php?year=V1810>.

While American manufacturing was slowly growing, American commerce was booming. Historian Curtis Nettels describes the period between 1793 and 1807 as “a golden age of American shipping.”<sup>22</sup> American commercial sector growth can be demonstrated by the frequency with which American imports and exports were carried by American ships. The percentage of carried cargoes increased steadily, from 40% in 1790 to 91% by 1805. American domination of the shipping trade peaked in 1807, when American ships carried 1,090,000 tons, representing almost 93% of all American international trade.<sup>23</sup>

American trade policy during the Jefferson and Madison administrations revolved around commerce. It was the country’s most vulnerable economic sector due to the threat of foreign interdiction on the oceans. Importantly, the United States possessed insufficient naval power to contend with foreign navies, particularly with Great Britain. Any major European power possessed the power to physically damage the American commercial sector.<sup>24</sup>

The Napoleonic Wars became the catalyst for European powers to project military power against American shipping, placing the Republicans in a dilemma. Should they respond

<sup>22</sup> Nettels, *Emergence of a National Economy*, 233.

<sup>23</sup> *Ibid.*, 234, 399.

<sup>24</sup> At this point in time, even the Barbary Pirate states of North Africa possessed the military capability to harm American merchants.



militarily, or economically? Their initial response was economic, but ultimately decisions pushed the United States towards a military response, culminating with the War of 1812.

### **Grievances and Great Britain: The Non-Importation Act of 1806**

American commerce in the early 1800s was impacted by two critical variables. First, the United States was a net importer of goods. The nation relied upon foreign sources for many key manufactured items, particularly finished products, which were not yet readily produced by the domestic manufactures sector.<sup>25</sup> Exports greatly exceeded imports, summarized as follows:

**Table 3.3.** United States Average Annual Imports and Exports, 1791-1819 (in millions)

Time Period	Annual Average Imports	Annual Average Exports	Trade Deficit	Ratio
1791 to 1799	\$55.7	\$27.3	(\$28.4)	2.04:1
1800 to 1809	\$93.3	\$36.9	(\$56.4)	2.53:1
1810 to 1819	\$81.8	\$45.3	(\$36.5)	1.81:1

Source: Carter, et al., eds., *Historical Statistics*, 5:498.

Second, American international trade was concentrated with only a few countries, mostly western European nations further advanced in the Industrial Revolution. The United States particularly relied on British manufactured goods. Although detailed statistics on the national origin of imports aren't readily available between 1800 and 1816, piecemeal data from before and after the Jefferson and Madison administrations are instructive as to the significant role British goods played. In 1792 Great Britain shipped \$15.3 million dollars of goods to the United States, accounting for 77% of all American imports.<sup>26</sup> During the period between 1821 and 1824 imports from Great Britain averaged \$28.8 million each year, comprising 41% of the national total.<sup>27</sup>

<sup>25</sup> Carter, et al. eds., *Historical Statistics*, 5:520.

<sup>26</sup> Nettels, *Emergence of a National Economy*, 231.

<sup>27</sup> Carter, et al. eds., *Historical Statistics*, 5:540. It should be noted that Great Britain remained a significant trading partner throughout the first half of the nineteenth century. For example, Great Britain represented 40%, 38%, and 41% of all American imports in the 1830s, 1840s and 1850s, respectively.

The United States exported fewer goods to Britain than it imported, largely a consequence of the British imperial system. Many American goods were prohibited from entering British possessions. Throughout the 1790s, American goods shipped to British ports averaged only \$9 million dollars per annum. However, exports began trending upwards between 1800 and 1804, reaching an average of \$19.4 million dollars per year.<sup>28</sup> These increases were an indirect consequence of the Napoleonic Wars and American merchants thrived from the increased trade and associated profits.

When Thomas Jefferson took office, it initially appeared that Great Britain and France were on the verge of peace. The continental wars briefly halted in March 1802 when the French and British signed the Treaty of Amiens.<sup>29</sup> A consequence of this treaty was that the United States resumed unfettered trade with both great powers, and consummated a new treaty with France in December. Diplomatic efforts with Britain yielded settlement on a host of outstanding issues, including Revolutionary war debts owed to British citizens.<sup>30</sup>

Throughout Jefferson's first term, American merchants enjoyed a lucrative "carrying trade" with Europe. The carrying trade essentially cast American merchants as third-party traders on behalf of other nations, most frequently for France and its allies. In 1805, American merchants carried \$60 million worth of goods for the benefit of others. The manner in which the carrying trade was conducted relied on legalistic distinctions. American vessels would take on cargo at foreign ports, and then transport it to an American port. Typically, they paid duties and received appropriate paperwork to document the landing of the cargo on American soil. Frequently, import duties paid to the United States were rebated back to the merchant. The cargo was then

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<sup>28</sup> Ibid., 5:534.

<sup>29</sup> George C. Herring, *From Colony to Superpower: U. S. Foreign Relations since 1776* (New York: Oxford University Press, 2008), 94.

<sup>30</sup> Malone, *Jefferson the President*, 95-97.

“re-loaded” and transported to foreign ports. This legal event was referred to as a “broken voyage.” The transaction involved American merchants transporting goods for foreign nations on a contracted basis in substance, while in form the event involved importing goods to the United States and then exporting them out under the fiction of a separate transaction. The legal doctrine that allowed this charade was known as the “Rule of 1756,” a doctrine upheld in British courts in 1800 in the *Polly* case.<sup>31</sup>

American merchants were perfectly content with European hostilities. Europeans wars created an increased demand for goods by the combatant powers. Since the British Navy effectively controlled the seas, American merchants were most willing to accommodate Britain’s foes in exchange for a profit. Increased trade volumes, combined with American resourcefulness and efficiency, generated substantial merchant profits. To illustrate how far American merchants had developed the carrying trade business, an 1805 British report acknowledged that American ships were able to operate an average voyage at about half the cost of their British counterparts. American commerce was so successful, and the supply of qualified sailors so limited, that the wages offered by American merchants rose from \$8 to \$30 per month.<sup>32</sup> These increased wages caused foreign sailors, including those in the Royal Navy, to consider gainful employment in the American merchant marine. Secretary of Treasury Albert Gallatin acknowledged that American vessels possessed crews where an estimated 37% of the sailors were British citizens.<sup>33</sup>

The Amiens respite was short-lived, and in 1803 war broke out again across Europe. Initially, American merchants benefitted from a revived carrying trade. However, as hostilities on the

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<sup>31</sup> Herring, *From Colony to Superpower*, 115-116. Note that the carrying trade numbers are omitted from any analysis of American imports and exports throughout this chapter.

<sup>32</sup> Nettels, *Emergence of a National Economy*, 235.

<sup>33</sup> Wood, *Empire of Liberty*, 642.

Continent escalated, both Britain and France sought to deprive each other of American trade. These efforts placed significant manpower stresses upon the Royal Navy as it tried to cut off French commerce. A significant consequence was the Royal Navy's increased use of impressments, particularly sailors on American ships. From 1803 until war broke out in 1812, the Royal Navy impressed between three and eight thousand American sailors.<sup>34</sup>

Two major events in 1805 spelled trouble for the carrying trade. Lord Nelson's destruction of the French fleet at Trafalgar rid the oceans of any meaningful threat to British control of the seas. Secondly, British courts rendered the *Essex* decision, overturning the Rule of 1756. This decision legitimized Royal Navy seizures of neutral vessels carrying goods to France or her allies.<sup>35</sup> The Royal Navy began confiscating American merchant vessels, and Philadelphia merchants claimed that over one hundred of their vessels were seized in the latter half of 1805.<sup>36</sup>

Impressments prompted a sharp public outcry, and a serious political problem for Jefferson. He prudently concluded that war with Great Britain was not a viable option. Instead, he believed that, consistent with his past writings, the United States could use its economic power to coerce Britain to a political settlement on American terms. He resolved to effectively declare economic war on Great Britain by interrupting trade. The Non-Importation Act of 1806 marked the first step in Republican efforts to initiate what might be considered the boldest trade policy initiative in the history of the United States. The underlying premise was that American exports were so valuable to the British economy that the absence of American commerce would bring King George III's realm into an economic and political crisis.

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<sup>34</sup> Perkins, *Creation of a Republican Empire*, 121; Herring, *From Colony to Superpower*, 117; Denver Brunzman "Subjects vs. Citizens: Impressment and Identity in the Anglo-American Atlantic," *Journal of the Early Republic* Volume 30, No. 4 (Winter, 2010), 572. Brunzman's totals are at the high end the estimates and represent the most recent scholarship on the subject. Though he acknowledges that the impressment numbers cannot be determined with accuracy, he has established a credible estimate based upon a wide array of sources.

<sup>35</sup> McCoy, *Elusive Republic*, 211.

<sup>36</sup> Wood, *Empire of Liberty*, 640.

The House of Representatives commenced discussing the British problem in late January 1806. Two major grievances dominated the House proceedings. First, Great Britain's actions threatened American merchants by effectively shutting down the carrying trade. Second, British impressments of American sailors amounted to a direct affront to American sovereignty. Georgia's Peter Early estimated that fifteen hundred American sailors were impressed, while James Sloan of New Jersey placed the number at closer to three thousand.<sup>37</sup>

The Republican trade offensive could only be effective if it proved more detrimental to the British than to the Americans. This premise became the major dividing point between supporters and opponents of the proposal. The initial resolution was offered on January 29, 1806 by fifty-one year old Representative Andrew Gregg of Pennsylvania, a Revolutionary War veteran who had served in Congress since 1791. Gregg epitomized the transitory nature of the early American economy. After the Revolution he engaged in commerce as a merchant, but had transitioned to being a gentleman farmer by the late 1780s, owning a farm near Philadelphia. Gregg's proposal called for banning the importation of targeted British goods to force Britain to retract its carrying trade and impressments policies.

Gregg's initial proposal called for a ban on all British imports, but with an effective date far enough into the future to leave open the possibility of a negotiated settlement. It empowered the president to rescind the act by proclamation in the event a satisfactory resolution was reached after the importation ban took effect.<sup>38</sup> On February 10, Joseph Nicholson of Maryland offered a companion resolution identifying only specific goods for non-importation in place of a general ban of all British goods. Nicholson's proposal attempted to capture items most closely associated with British manufacturing. Nicholson had been goaded by his brother-in-law,

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<sup>37</sup> 15 Annals of Cong. 608, 627 (1806).

<sup>38</sup> Ibid., 413.

Secretary of the Treasury Albert Gallatin, to pare back Gregg's proposal in order to preserve much needed tariff revenues that would be lost if all British imports ceased.<sup>39</sup>

Nicholson sought to inflict as much economic pain as possible to Britain while softening any side-effects to the United States. He stated that "If ... we adopt a system which is practicable, to which it is seen that we can adhere without injuring ourselves, and which will materially affect Britain, we may hope that measures will be taken by her Government for the adjustment of our differences, and the rendering us complete justice."<sup>40</sup> His modified version of the bill targeted goods that the United States theoretically could produce on its own, thereby denying British manufacturers substantial export profits. The proposal supposed that Great Britain was dependent on trade with the United States given the ongoing Napoleonic Wars and the strains they placed on the British economy.

The bill's proponents expressed outrage at British policy and actions. New Jersey's Sloan asked, "Where is the spirit that actuated the noble patriots of Seventy-six, at the great risk of life, to oppose the unjust aggressions of Great Britain?" He added that "I want the United States to treat Great Britain as they would treat an individual, who, in his dealings, had evidently been unjust; break off all intercourse until reparation is made for past injuries ... In the present state of Europe, can Great Britain do without our trade? Certainly she cannot."<sup>41</sup> Fellow New Jersey House member Ebenezer Elmer, another Revolution veteran, declared that "We have suffered an invasion of a national right," creating a need for "repelling their aggressions by lenient but manly firmness ... we may assume a manly and dignified national spirit, we may recall the principles

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<sup>39</sup> Forest McDonald, *The Presidency of Thomas Jefferson* (Lawrence: University Press of Kansas, 1976), 107.

<sup>40</sup> 15 Annals of Cong. 451 (1806).

<sup>41</sup> *Ibid.*, 459; *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=S000493>.

and the habits of the Revolution, we may arm our Government with sufficient energy to vindicate and maintain our national right, we may command respect from other nations.”<sup>42</sup>

Representative Gregg was confident that the legislation would succeed. He noted that “Great Britain is too well versed in the business of calculation, and too well acquainted with her own interest, to persevere in this lawless system at the hazard of losing customers, whose annual purchases of her manufactures and other merchandise exceeds, I believe, thirty millions of dollars.” He explained that “If carried into effect, I believe it will strike dismay throughout the Empire. Its operation will be felt by every description of people, but more especially by the commercial and manufacturing part of the community.”<sup>43</sup> New York attorney Nathan Williams surmised that limited risk was involved. He stated “To talk of offensive war is unnecessary, it is childish. The weapons within our reach are not at present warlike, though capable of wounding deeply. Some, however, are of the opinion that this measure will lead to war. I think differently. It will, in my opinion, preserve peace and our commerce at the same time.”<sup>44</sup>

Proponents insisted that there was a pressing need for the entire nation to rally to the aid of American commerce. Representative Gregg declared that “let us not withdraw it [protection] from the real American merchant. Acting from motives of patriotism as well as of gain, he combines his own interest with that of his country ... He is a necessary link in the chain of our society. There is a mutual dependence betwixt him and the farmer.”<sup>45</sup> New York representative Williams concurred with Gregg, noting that “It has been justly said that agriculture and commerce are handmaids to each other. Indeed their interests are strongly and durably

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<sup>42</sup> 15 Annals of Cong. 631, 633, 640 (1806); *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=E000154>; see also comments by Joseph Stanton (RI), 766.

<sup>43</sup> 15 Annals of Cong. 540, 545 (1806).

<sup>44</sup> *Ibid.*, 579; see also comments by John Smylie (PA), 589, James Sloan (NJ), 616, and Ebenezer Elliot (NJ), 641.

<sup>45</sup> *Ibid.*, 543.

interwoven. Commerce has a direct tendency to raise the price of the product of the farmer's labor, by seeking in every part of the world the best markets for our articles of export."<sup>46</sup>

National interests also motivated the bill's supporters. Representative John Smilie reminded the House that American commerce was both large and lucrative, providing a cause for the British provocations. He stated that "Her hostility is invigorated by another circumstance. She is the first trading nation in the world – we are the second. We interfere with her aggrandizement, and she has determined to crush us. She is proceeding step by step in the work of destruction, and if we are so pusillanimous as to submit, she will push on to our ruin and disgrace."<sup>47</sup> Gregg agreed, expressing concern that "While we yield year after year, Great Britain advances step by step; yet a little longer and our commerce will be annihilated, and our independence subverted."<sup>48</sup>

However, many representatives expressed doubts about the wisdom of the bill. The greatest critic was John Randolph of Virginia. Randolph was independent-minded, possessed an extremely sensitive personality, and was as formidable and fiery a public speaker as anyone of his era. His passionate defense of liberal principles garnered him the description of "the Cato of the American Congress."<sup>49</sup> Randolph was a free trader in the strictest sense, and abhorred the idea that any economic special interest should receive preference over others. Though a Republican, he defiantly opposed the Party's trade initiative. His cadre of supporters, dubbed the "Quids," adamantly supported free trade principles and flatly rejected the non-intercourse proposal. In early 1806, Randolph wrote his close friend James Garnett that "I have conversed very frankly (in confidence) with several well informed men ... every one of them have

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<sup>46</sup> Ibid., 575.

<sup>47</sup> Ibid., 591.

<sup>48</sup> Ibid., 544; see also comments by John Rhea (TN), 740.

<sup>49</sup> Robert Douthat Meade. "John Randolph of Roanoke: Some New Information," *The William and Mary Quarterly* Second Series, Volume 13, No. 4 (Oct., 1933), 256.



pronounced the minority to have been in the right.”<sup>50</sup> In a separate letter, Randolph described a meeting at the Charlotte courthouse, where “all of whom I heard (with one exception) approved the course which we have taken. They considered it as a case between Agriculture and Commerce ... in my opinion the premises are so sound, as the conclusion is undeniable.”<sup>51</sup>

The term “quid” was contemporarily applied to a wide variety of state level political factions whose ideas diverged from either Federalist or Republican party orthodoxy. Randolph’s faction, concentrated in the Virginia and North Carolina congressional delegations, represented an influential “loyal opposition” within the Republican ranks. Jefferson and Madison may have viewed the Quids as party renegades, but Randolph and the Quids maintained remained that they were loyal to “Old Republican” political values even as the party was drifting in other directions. Historian Noble Cunningham describes the Randolph faction as “nothing more than an informal association of political leaders; however great their influence may have been in the long run, they had neither organization nor mass support.”<sup>52</sup> Norman Risjord more favorably described them as “men who took deeply to heart the compact theory of government and carried it to its logical conclusions ... the Old Republicans are thus the missing link in the conservative tradition between the Anti-federalists of 1788 and the states rights Southerners of the Jacksonian era.”<sup>53</sup>

Randolph was philosophically wedded to original Republican principles, believing, as one historian notes, that a “struggle between individual liberties and the intrusive power of the state” was already taking place in the United States.<sup>54</sup> Another states that he “believed the primary end

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<sup>50</sup> John Randolph to James Garnett, May 1806, University of Virginia, Albert and Shirley Small Special Collections Library.

<sup>51</sup> *Ibid.*, 11 May 1806.

<sup>52</sup> Noble E. Cunningham, Jr., “Who Were the Quids?” *The Mississippi Valley Historical Review* Volume 50, No. 2 (September, 1963): 254, 261.

<sup>53</sup> Norman K. Risjord, *The Old Republicans: Southern Conservatism in the Age of Jefferson* (New York: Columbia University Press, 1965), 1.

<sup>54</sup> David A. Carson, “That Ground Called Quiddism: John Randolph’s War with the Jefferson Administration,” *Journal of American Studies* Volume 20, No. 1 (April, 1986): 73.

of any economic policy was the preservation of a patrimony of political and economic independence and virtue.”<sup>55</sup> Randolph concluded that Jefferson’s trade initiative ran afoul of these core republican principles.

During Jefferson’s first term, Randolph was an entrenched Republican loyalist. He served as the chair of the Ways and Means Committee and supported the Louisiana Purchase.<sup>56</sup> However, Randolph broke with the administration on the trade issue.

The Virginian representative attacked the proposed legislation on three points. First, could the United States government actually enforce non-importation? Secondly, if so, was it wise to do so? Lastly, was this the most efficient manner in which to procure satisfactory redress from Great Britain?<sup>57</sup>

Randolph suggested that the proposed legislation only benefitted the special economic interests of American merchants. He warned that the legislation could provoke a military confrontation, protesting that “It is not for the honest carrying trade of America, but for this mushroom, this fungus of war – for a trade which, as soon as the nations of Europe are at peace, will no longer exist, it is for this that the spirit of avaricious traffic would plunge us into war.” He reminded the House that “if there be two professions in the world, which can be selected for a tendency to develop the pre-existing germ of imperfection planted in our nature, they are the profession of the lawyer and the occupation of the trader. And wherefore? Because they open the wide field of temptation.”<sup>58</sup>

Other opponents agreed with Randolph that the bill pandered to special economic interests. Representative David Williams of South Carolina, a cotton planter and manufacturer who built

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<sup>55</sup> John F. Devanny, Jr., ““A Loathing of Public Debt, Taxes, and Excises”: The Political Economy of John Randolph of Roanoke,” *The Virginia Magazine of History and Biography* Volume 109, No. 4 (2001): 390.

<sup>56</sup> Robert Dawidoff, *The Education of John Randolph* (New York: W. W. Norton & Company, 1979), 168-170.

<sup>57</sup> 15 Annals of Cong. 556 (1806).

<sup>58</sup> *Ibid.*, 557, 594.

the very first cottonseed-oil mill in his native state, complained that the only beneficiaries of the bill were merchants. He declared that “when the people are invaded, we should think of war; not when a few merchants find themselves hampered by foreign commercial regulations. There are other remedies for this disease.”<sup>59</sup>

Randolph also predicted that a British response would prove detrimental to the United States. He noted that “if she is your commercial rival, you are her commercial rival also. This is the very view that I have been endeavoring to take of the subject, to impress on the Committee; to warn the nation against being drawn into a war of commercial rivalry ... If she puts out her strength, you will feel it.” He rejected the suggestion that the European conflict constrained Britain, and he retorted “We are asked, what Great Britain can do to annoy us? We answer, at this moment, more than any other nation in the world, because she commands the ocean.”<sup>60</sup>

Others joined Randolph to criticize Gregg’s bill. Joseph Clay, a Pennsylvania banker, brought up two significant objections, stating that “The first is, that if carried into effect, it places greater means of injuring us in the hands of the enemy than she already possesses; and the second, that we shall not be able to maintain the course it points out for any length of time.” Clay argued that “I will appeal to any gentleman conversant with the state of the country ... to say whether there is any probability of our being able to endure a non-importation of British goods for any length of time; for more than about six or eight months.”<sup>61</sup>

Great Britain’s military prowess also concerned opponents. Josiah Masters of New York questioned the wisdom of threatening a “nation who has two hundred ships-of-the-line, four hundred frigates ... who can go to war with us without any additional expense to themselves,

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<sup>59</sup> *Ibid.*, 589; *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=W000495>.

<sup>60</sup> 15 *Annals of Cong.* 600-601 (1806).

<sup>61</sup> *Ibid.*, 549, 551; see also comments by Peter Early (GA) regarding the unintended consequences of smuggling, 626.

who will sweep the ocean of American commerce, amounting to nearly one hundred million of dollars. What then will be the situation of your carrying trade? What then will be the situation of your commerce and your country?" Masters summarized the potential consequences: "It seems a bad method of compensating injuries done to us, to do another worse injury to ourselves, which I believe will be the case by adopting the present resolution; it will have a natural tendency to retaliation and revenge."<sup>62</sup>

The Non-Importation Act passed the House on March 26, 1806 by a comfortable margin of 93 to 32, and the bill was forwarded to the Senate, where similar arguments were heard. Maryland's merchant senator, Samuel Smith, concluded that "Great Britain looks with a jealous, envious eye at our increased and increasing commerce; at the immense commercial tonnage of the United States. It is seen that we have capital equal to our trade, and that we have superior enterprise, and intelligence not inferior to their merchants. Yes, sir, we do supplant (not rival) the British merchant everywhere where we can meet him on equal terms."<sup>63</sup> The Senate ratified the bill on April 15 by a vote of 19 to 9. Jefferson immediately dispatched William Pinckney to join James Monroe in London to attempt a diplomatic settlement with the British.<sup>64</sup>

The final version of the bill contained Nicholson's modified terms, with certain British goods subjected to the non-importation ban. The bill would not go into effect until November 15, 1806, allowing time for negotiation, and the president was authorized to suspend its implementation if he believed that negotiations were proceeding towards resolution. Although the bill went into effect on the prescribed date, it remained so for only five weeks. Jefferson requested that the act be temporarily suspended in hopes that it would enhance chances for a

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<sup>62</sup>15 Annals of Cong. 581-582 (1806).

<sup>63</sup>Ibid., 589; *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=S000609>.

<sup>64</sup>McDonald, *Presidency of Thomas Jefferson*, 108-109.

diplomatic resolution to Anglo-American tensions.<sup>65</sup> Congress agreed to postpone the effective date for the Act until December 31, 1807.<sup>66</sup>

Randolph concluded that the Non-Importation Act represented governmental tyranny and that the federal government had overstepped its authority, trampling individual liberties. He remarked that “Never, in my opinion, has the cause of free government more to fear than now ... its’ once best friends are converted into enemies ... “damning, with faint praise,” the principles which they had sworn to support.”<sup>67</sup> He noted the irony of Jefferson’ position, observing that “The administration may do as it pleases ... it favors federal principles ... attach it upon this government, and you are for federalism.”<sup>68</sup>

The congressional votes, summarized in Table 3.4, shows that the New England states, with their significant commercial interests, had reservations about the Non-Importation Act. All other areas of the country overwhelmingly supported the legislation, but New England hesitated. Its House members voted against it, and Senate members were evenly split. The various state delegations exhibited widely varying sentiments. In the House, Connecticut and New Hampshire were unanimously opposed, while Rhode Island was unanimously in favor, and the Massachusetts and Vermont delegations favored with split majorities.

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<sup>65</sup> Malone, *Jefferson the President: Second Term*, 476-477.

<sup>66</sup> 16 *Annals of Cong.* 153, 158-159 (1806).

<sup>67</sup> John Randolph to James Garnett, 28 October 1806, University of Virginia, Albert and Shirley Small Special Collections Library.

<sup>68</sup> John Randolph to George Hay, 3 January 1807, University of Virginia, Albert and Shirley Small Special Collections Library.

**Table 3.4.** Ratification Vote of the Non-Importation Act of 1806 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, NH, RI, VT)	14	20	4	4
Atlantic	(DE, NJ, NY, PA)	33	3	5	2
Chesapeake	(MD, VA)	23	6	3	0
South	(GA, NC, SC)	15	2	2	2
West	(KY, OH, TN)	<u>8</u>	<u>1</u>	<u>5</u>	<u>1</u>
Totals		93	32	19	9

Source: 15 Annals of Cong. 240, 877-878 (1806).

New England was the most active commercial region in the country, though its prominence fell well short of a monopoly. In 1807, Boston and Massachusetts were home to 149,000 tons and 354,000 tons of shipping, respectively. Nearby New York City housed 269,000 tons.<sup>69</sup> By 1816, New England domiciled 568,000 tons of merchant vessels, representing 42% of the nation's ocean faring tonnage.<sup>70</sup> In the following year, New England manufactured almost 47,000 tons of ocean going merchant vessels, 55% of the national total.<sup>71</sup>

Table 3.5 provides evidence that the dividing line on non-importation was primarily based upon partisan politics. The overwhelming majority of Republicans favored the legislation, while the heavily outnumbered Federalists predominantly voted in opposition. Republicans, who up to this time had staunchly advocated free trade principles, rallied behind the President's short-term, restrictive trade policy objectives. Federalists, previously the party of economic nationalism, stood in opposition. Increasingly, they aligned their political interests with commerce, to the point of using the word "manufacturer" as a pejorative term against their political foes.<sup>72</sup> The voting pattern suggests that party loyalty was a powerful motivator behind the final vote tally.

<sup>69</sup> Nettels, *Emergence of a National Economy*, 234.

<sup>70</sup> Carter, et al., eds., *Historical Statistics*, 4:874.

<sup>71</sup> *Ibid.*, 4:881.

<sup>72</sup> Richard Buel, Jr., *America on the Brink: How the Political Struggle Over the War of 1812 Almost Destroyed the Young Republic* (New York: Palgrave Macmillan, 2005), 20-21.

**Table 3.5.** Ratification Vote of the Non-Importation Act of 1806 by Party

Party	House Ayes	House Nays	Senate Ayes	Senate Nays
Republican	92	8	18	4
Federalist	<u>1</u>	<u>24</u>	<u>1</u>	<u>5</u>
Totals	93	32	19	9

Source: 15 Annals of Cong. 240, 877-878 (1806).

At the time of its passage, the Non-Importation Act was merely a diplomatic and economic threat. The delayed time frame for the legislation's enactment was clearly intended to strengthen the bargaining position of American diplomats. Republicans were supremely confident that the threat was both powerful and achievable.

### **Humiliation, Embargo and Non-Intercourse**

Pinkney and Monroe successfully produced a treaty with the British in December 1806. However, the document failed to repudiate impressments and included a provision requiring the United States to reject Napoleon's Berlin Decree of November 1806. Jefferson refused to even submit it to the Senate for ratification. Britain responded to this affront in early 1807 by issuing Orders in Council requiring all American carrying trade to Europe to ship through British ports, directly challenging American rights to freely trade with other nations.<sup>73</sup>

Tensions between the United States and Great Britain escalated in June when the HMS *Leopard* fired upon the USS *Chesapeake* in international waters, seizing four sailors, and sparking American outrage.<sup>74</sup> The British, instead of making conciliatory efforts after the *Chesapeake* affair, took a harder stance by issuing further Orders in Council in late 1807 requiring ships trading with the Continent to obtain a license from Britain.<sup>75</sup> France heightened tensions as well by tightening their enforcement of the Berlin Decree. Forthwith, American trade

<sup>73</sup> McDonald, *Presidency of Thomas Jefferson*, 132-133.

<sup>74</sup> Herring, *From Colony to Superpower*, 118.

<sup>75</sup> McCoy, *Elusive Republic*, 216.

with Great Britain would be interpreted as a hostile act and American ships docking in European ports would be open to seizure. Britain's actions even outraged John Randolph, who stated he "would act with the most determined spirit against the enemy; for so I consider England at this moment; since we are as much at war as we can be without the intervention of Congress. Having come to blows I would strike my hardest, however desirous I might have been to avoid the combat by honorable means."<sup>76</sup>

President Jefferson banned British warships from American ports immediately after the *Chesapeake* incident.<sup>77</sup> The Non-Importation Act remained a threat only, since it was not scheduled to go into effect until December 31, 1807. The British and French pressured the United States to choose sides in the European war, but the administration hesitated, determined to avoid any commitments if possible. Instead, the Republicans decided to escalate the stakes in this trade standoff by asking Congress to place a complete embargo on American foreign trade. Secretary of State Madison was the chief architect of the new legislation, which was strongly opposed by Treasury Secretary Gallatin.<sup>78</sup>

The White House shared the Berlin Decree and Orders in Council with Congress on December 18, 1807, with a recommendation for a complete embargo of American foreign commerce.<sup>79</sup> Congress hurriedly approved the proposal almost without debate in either Congressional chamber. The Senate suspended its rules in order to pass the act the same day it was received by a vote of 22 to 6.<sup>80</sup> After a weekend respite, the House approved the measure on

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<sup>76</sup> John Randolph to James Garnett, 31 October 1807, University of Virginia, Albert and Shirley Small Special Collections Library.

<sup>77</sup> Malone, *Jefferson the President: Second Term*, 567.

<sup>78</sup> McDonald, *Presidency of Thomas Jefferson*, 139, 141.

<sup>79</sup> *Ibid.*, 143.

<sup>80</sup> 17 *Annals of Cong.* 51 (1807).



the following Monday, December 21, by a vote of 82 to 44.<sup>81</sup> The breakdown of votes by region is as follows in Table 3.6:

**Table 3.6.** Ratification Vote of the Embargo Act of 1807 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, NH, RI, VT)	19	15	7	3
Atlantic	(DE, NJ, NY, PA)	23	11	5	2
Chesapeake	(MD, VA)	18	8	2	0
South	(GA, NC, SC)	14	8	3	1
West	(KY, OH, TN)	<u>8</u>	<u>2</u>	<u>5</u>	<u>0</u>
Totals		82	44	22	6

Source: 17 Annals of Cong. 51, 1221-1222 (1807).

In a curious coincidence, after numerous procedural modifications regarding its implementation, the Non-Importation Act again became active law just a few days earlier, on December 14, so there was no existing empirical evidence in place to measure the potential effectiveness of American trade restrictions.<sup>82</sup>

The Non-Intercourse and Embargo bills withdrew American merchant ships from international trade. The United States still allowed imports, and certainly welcomed any associated import duties, but goods were required to arrive in foreign ships. Because foreign ships were forbidden to take on American cargoes, they were forced to engage in one-way shipments to the United States. The combined bills still allowed certain British goods to be imported into the United States and British trade persisted at about half of pre-embargo levels.<sup>83</sup>

Congress was less supportive of embargo than they had been of non-importation the prior year. However, every section, including the New England and the Atlantic regions, favored the measure. The voting patterns of the House members from the five major port cities resembled the previous year, as four ports' representatives, all Republicans, voting for the measure, while

<sup>81</sup> Ibid., 1221-1222.

<sup>82</sup> McDonald, *Presidency of Thomas Jefferson*, 142.

<sup>83</sup> Wood, *Empire of Liberty*, 650.

Federalist Josiah Quincy of Boston voted against. New England shifted closer to a pro-administration stance as a result of the 1806 elections, when New Hampshire's voters replaced their five Federalist members with five Republicans. Both Rhode Island and New Hampshire unanimously voted in favor of the embargo, Massachusetts voted a majority in favor, Vermont was split, and only Connecticut voted unanimously against.

Although representatives from all of the regions supported the bill, a review of the voting patterns by party affiliation in Table 3.7 again demonstrates the strong sway of party loyalty:

**Table 3.7.** Ratification Vote of the Embargo Act of 1807 by Party Affiliation

Party	House Ayes	House Nays	Senate Ayes	Senate Nays
Republican	82	19	21	2
Federalist	<u>0</u>	<u>25</u>	<u>1</u>	<u>4</u>
Totals	82	44	22	6

Source: 17 Annals of Cong. 51, 1221-1222 (1807).

Federalists were virtually unanimous in their opposition to the Administration's initiatives. Jefferson sharply criticized the minority party, intimating that they "disapprove of the republican principles & features of our Constitution and would ... welcome any public calamity (war with England excepted) which might lessen the confidence of our country in those principles & forms."<sup>84</sup> The only Federalist in either the Senate or House who dared support the bill, Massachusetts Senator John Quincy Adams, was punished for his intransigence when the state legislature selected a replacement for his seat in the summer of 1808. Adams immediately resigned, switched political allegiances, and joined the Republicans.<sup>85</sup>

Republicans overwhelmingly favored the bill, though their party unity was less impressive than the Federalists because John Randolph and his "minority Republicans" broke with party

<sup>84</sup> Jefferson, *Writings*, 1188, letter from Jefferson to Dr. Thomas Leib, dated 23 June 1808.

<sup>85</sup> Malone, *Jefferson the President: Second Term*, 594.

leadership on the issue.<sup>86</sup> Randolph's band was concerned by growing federal power, and non-interference with trade was an important pillar in their belief system. Randolph, writing to his friend and fellow House member James Garnett in October 1806, expressed grave reservations over the administration's course. He stated, "Never, in my opinion, has the cause of free government more to fear than now. In Europe it has been long gone, past all hope. Here, its' once best friends are converted into ... enemies, or lukewarm advocates, "damning, with faint praise," the principles which they had sworn to support to the few scattered individuals whose attachment to the cause remains unshaken."<sup>87</sup> Jefferson, not fazed by Randolph's defection, noted that "the late schism has made not the smallest impression on the public."<sup>88</sup>

While Randolph lamented what he perceived to be excessive use of executive power, various groups of merchants complained to the House about their lost profits. On November 27, 1807, almost a month before the embargo's passage, Congressman Joseph Clay of Pennsylvania presented a memorial from various "sundry merchants and traders" from Philadelphia, who prayed for a repeal of the Non-Importations Act. The petitioners hoped that "the commercial interests of the United States, with which the common welfare is inseparably connected, will not be committed by an unyielding adherence to doubtful or unsettled principles."<sup>89</sup> On December 14, the day that non-importation took effect, Josiah Quincy presented similar petitions from nine hundred Boston merchants.<sup>90</sup>

Both groups of merchants protested the impact of trade interruption upon their property and livelihoods. Commerce was a significant part of the American economy, and the capital

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<sup>86</sup> James Garnett to John Randolph, 13 September 1812, University of Virginia, Albert and Shirley Small Special Collections Library. Garnett expressed that Randolph and his followers were "minority" Republicans based upon their opposition to so many of the administration's policies.

<sup>87</sup> John Randolph to James Garnett, 28 October 1806, University of Virginia, Albert and Shirley Small Special Collections Library.

<sup>88</sup> Jefferson, *Writings*, 1166. Letter from Jefferson to Barnabas Bidwell dated 5 July 1806.

<sup>89</sup> 17 *Annals of Cong.* 962 (1807).

<sup>90</sup> *Ibid.*, 1172.

investment in ships was substantial, an estimated \$100 million dollars.<sup>91</sup> In 1808, Massachusetts merchants, owning almost 40% of the nation's total merchant marine, lost approximately \$15 million in revenues from the embargo.<sup>92</sup> In addition, Southern cotton exports dropped from almost 9 million pounds in 1807 to less than 1 million pounds the following year.<sup>93</sup> The embargo seriously damaged the financial well-being of Americans from all commercial sectors and throughout the entire nation.

The administration received corresponding support for its policies as well. In the Winter and Spring of 1808 President Jefferson received supportive memorials from nine state legislatures. Massachusetts and New Hampshire sent two such memorials, showing that the embargo had at least some level of support in the New England states.<sup>94</sup>

Near simultaneous enactment of the Non-importation and Embargo Acts in late 1807 put Jefferson's policies into practice. Differing predictions that had been expressed during the debates in 1806 would be resolved by experience. The main question was over which nation the new trade restrictions harm the most, Great Britain or the United States?

The impact of the new legislation was dramatic. In 1808, American imports dropped to \$57 million, compared to a record \$139 million the previous year. Exports also dropped precipitously, from a record \$49 million in 1807 to merely \$9 million in the next.<sup>95</sup> Ordinary Americans felt the impact of the legislation. Real GDP per capita, an inflationary neutral measure of economic productivity per person, fell 7.1% between 1807 and 1808, the worst year-to-year economic decline since the Republic's founding.<sup>96</sup> Economist Douglas Irwin estimated

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<sup>91</sup> 15 Annals of Cong. 581 (1806).

<sup>92</sup> Wood, *Empire of Liberty*, 655.

<sup>93</sup> Robert Allen Rutland, *The Presidency of James Madison* (Lawrence, Kansas: University Press of Kansas, 1990), 23.

<sup>94</sup> Malone, *Jefferson the President: Second Term*, 565-566.

<sup>95</sup> Carter, et al., eds., *Historical Statistics*, 5:498; McDonald, *Presidency of Thomas Jefferson*, 143.

<sup>96</sup> Carter, et al., eds., *Historical Statistics*, 1:30, 3:23.

the impact of the Embargo as equivalent to a 60% tariff rate and that the “welfare cost” to the American economy was somewhere between 4% and 6%.<sup>97</sup>

The Embargo ruined the domestic economy. The withdrawal from international commerce forced British born sailors, a major cause behind the impressment crisis, to leave the United States and return to Great Britain to find work. American agricultural exports sharply dropped, causing a domestic supply glut. In New York, the price of wheat fell over 60%.<sup>98</sup> In Salem, Massachusetts, one hundred and thirty four ships cleared the port in 1807. No ships departed in 1808, putting almost 2,000 sailors out of work. The following year, an estimated 1,200 citizens depended on charity for their meals.<sup>99</sup>

Salem’s example also illustrates how the Embargo’s impact extended across political lines. The Crowninshield family was one of the town’s wealthiest, and Republican Jacob Crowninshield represented Salem in the House of Representatives. They staunchly supported the Jeffersonian Experiment throughout, while also providing assistance for the town’s soup kitchen. Ultimately, the Jeffersonian Experiment ruined much of the family fortune. One son, Richard Crowninshield, ended in debtor’s prison before turning his business interests to textile manufacturing. Another, John, tried to stay in business despite debts that plagued him for the next two decades. The family’s merchant business, the original source of the family’s wealth, was effectively destroyed.<sup>100</sup>

The embargo failed to harm Great Britain’s economy even though Anglo-American trade was severely reduced. Total American shipments of cotton to Great Britain fell from 44 million

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<sup>97</sup> Douglas A. Irwin, “The Welfare Cost of Autarky: Evidence from the Jeffersonian Trade Embargo, 1807-1809,” *Review of International Economics* Volume 13, No. 4 (2005):636, 641.

<sup>98</sup> Alan Taylor, *The Civil War of 1812: American Citizens, British Subjects, Irish Rebels, & Indian Allies* (New York: Alfred A. Knopf, 2010), 117.

<sup>99</sup> James Duncan Phillips, “Jefferson’s “Wicked Tyrannical Embargo,”” *The New England Quarterly* Volume 18, No. 4 (December, 1945): 468-469, 472.

<sup>100</sup> John H. Reinhoehl, “Post-Embargo Trade and Merchant Prosperity: Experiences of the Crowninshield Family, 1809-1812,” *The Mississippi Valley Historical Review* Volume 42, No. 2 (September, 1955): 231, 246-248.

pounds in 1807 to only 12 million pounds in 1808.<sup>101</sup> The British fortunately possessed significant amounts of imported cotton and wheat in its national inventories. Britain's cotton imports to Liverpool from Brazil increased from 3,500 bags in 1808 to 103,200 bags in 1814.<sup>102</sup> Although exports to the United States decreased, British manufacturers compensated for the deficiency through increased exports to Latin America, whose commerce with the mother countries of Spain and Portugal had been interrupted by French invasion.<sup>103</sup>

One consequence of the Embargo was to encourage American businessmen to consider alternate economic pursuits. In particular, Philadelphia and Baltimore prospered during the Embargo. Although Philadelphia domiciled almost 8% of American commerce, 1,000 new homes were built in the city in 1808 as entrepreneurs shifted financial capital towards manufacturing opportunities.<sup>104</sup>

The Administration attempted to enforce the embargo throughout 1808. Numerous merchants and traders, desperate to maintain their economic livelihood, tried to circumvent it. The federal government enforced the embargo through policing activities and the judicial system with inconsistent success. It soon became abundantly clear that Americans were more adversely impacted by the legislation than were the great European powers.<sup>105</sup>

Great Britain responded to the Embargo by meddling with the new American policy. Parliament enacted temporary legislation allowing American ships to carry goods to British colonies on the North American continent. The dual goals of the policy were to undermine the

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<sup>101</sup> Jeffery A. Frankel, "The 1807-1809 Embargo Against Great Britain," *The Journal of Economic History* Volume 42, No. 2 (June, 1982): 296.

<sup>102</sup> G. W. Daniels, "American Cotton Trade with Liverpool Under the Embargo and Non-Intercourse Acts," *The American Historical Review* Volume 21, No. 2 (January, 1916): 285-286.

<sup>103</sup> Ketchum, *James Madison*, 462.

<sup>104</sup> Louis Martin Sears, "Philadelphia and the Embargo of 1808," *The Quarterly Journal of Economics* Volume 35, No. 2 (February, 1921): 354-357.

<sup>105</sup> McDonald, *Presidency of Thomas Jefferson*, 145-152.

American edict and to alleviate the growing shortage of imported foodstuffs and other goods desperately needed by British Caribbean island colonies.<sup>106</sup>

Enforcement of the embargo proved challenging. It greatly depended on the determination and abilities of local officials, particularly state governors. Most of the trade leakage from smuggling was concentrated in the far northern and southern states. Some states, such as South Carolina and New Hampshire, had very few problems. New York had many problems, partly due to its lengthy northern border, although Governor Daniel Tompkins's diligent efforts tried to mitigate the illegal activities. Eventually, Tompkins, Gallatin, and Jefferson were forced into authorizing the use of state militia and the regular army in the Fall of 1808 to ensure enforcement. Matters were worse in Massachusetts, where Republican governor James Sullivan frequently ignored rampant smuggling, afraid to endanger the fragile Republican control of the state government. Federalist Connecticut most boldly challenged the embargo, as the governor and legislature refused to cooperate at all with federal authorities. They even threatened, in early 1809, to use state resources to actively resist enforcement on the grounds that the Federal Government had overreached its constitutional authority.<sup>107</sup>

In August 1808, Jefferson and Congress received a new flood of petitions calling for the embargo's repeal or easing. In November, Representative Edward St. Loe Livermore presented the House with petitions executed by more than four thousand Massachusetts citizens. The petitions, from various towns, contained the exact same language, suggesting a highly organized

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<sup>106</sup> Louis Martin Sears, "British Industry and the American Embargo," *The Quarterly Journal of Economics* Volume 34, No. 1 (November, 1919): 93-94.

<sup>107</sup> Malone, *Jefferson the President: Second Term*, 598, 603-604, 654.

response.<sup>108</sup> On December 22, 1808, various New England towns staged days of mourning to mark the one-year anniversary of the embargo's passage.<sup>109</sup>

Federalists began a political offensive in sympathy with New England merchants. In early November, Representative Martin Chittenden of Vermont motioned to repeal the embargo, with “no object in view but to bring the subject before the House, and excite a fair and liberal discussion.”<sup>110</sup> In contrast to the rapid passage of the Embargo Act a year before, his proposal instigated a protracted debate in Congress over American trade policy, consuming most of the fall session from early November 1808 through the following March. The discourse centered on the Embargo's effectiveness and legitimacy.

Embargo critics maintained that the embargo was simply not working. Great Britain was not succumbing, and worse, the policy was proving itself detrimental to the United States economy, and particularly to merchants. Representative Josiah Quincy of Massachusetts characterized the embargo as an “abject submission, by which this country has for these eleven months been disgraced, and brought to the brink of ruin ... by our dereliction of the ocean, the Continent is much more deprived of the advantages of commerce than it would be possible for the British navy to effect, and by removing our competition, all the commerce of the Continent which can be forced is wholly left to be reaped by Great Britain.” Quincy remonstrated against Jefferson's policies, declaring “I have not the words to express the matchless absurdity of this attempt. I have no tongue to express the swift and headlong destruction which a blind perseverance in such a system must bring upon this nation.”<sup>111</sup>

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<sup>108</sup> 19 Annals of Cong. 496 (1808).

<sup>109</sup> Malone, *Jefferson the President: Second Term*, 598, 608-610, 642.

<sup>110</sup> 19 Annals of Cong. 474 (1808).

<sup>111</sup> 19 Annals of Cong. 535-536, 538 (1808); see also comments by Josiah Masters (NY), 610, and Richard Jackson (RI), 808.



It was becoming evident that the embargo had little impact on Great Britain. Barent Gardenier, a New York Federalist, characterized the Embargo as outright war with Great Britain, “not the old-fashioned sort of war, but a new-fangled philosophical kind of commercial war! We thought we played a strong card, and now we are outrageous because our antagonist has been able to play above us.”<sup>112</sup> James Hillhouse of Connecticut maintained that “all the inconvenience which she could feel from our measure had already been borne; and Great Britain was turning her attention to every part of the globe to obtain those supplies which she was wont to get from us.” Hillhouse mockingly noted that “we have adopted the monkish plan of scourging ourselves for the sins of others.” The Federalist senator seized on the problems enforcing the embargo, asking “How has it turned out? Why, patriotism, cannon, militia and all had not stopped it.”<sup>113</sup>

Opponents argued that free trade principles should rule, and that the federal government ought to refrain from interdicting trade. John Randolph, ever the thorn in the Administration’s side, reasoned that “there was one plain and obvious answer to every man who objected to the raising of the embargo ... [if] the merchants are willing to run the risk; and if we do not choose to protect them, at least we may leave them and insurance offices to settle the business among themselves.” He continued, stating that “It is then their affair ... Our merchants believe that, if let alone, they could by their enterprise carry on a lucrative trade, and get us a better price for our produce ... [I am] willing to indulge them in the experiment.”<sup>114</sup> Randolph argued that an individual’s economic freedom was more important than national economic policy.

Others cautioned that the embargo must be maintained until the twin issues of neutral rights and impressments were satisfactorily resolved. Senator William Giles of Virginia commented

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<sup>112</sup> 19 Annals of Cong. 839 (1808).

<sup>113</sup> Ibid., 22-24.

<sup>114</sup> Ibid., see also comment by Philip Key (MD), 770.

that “The United States are now left alone to protect neutral principles against the belligerent encroachments of a warring world.” George Troup of Georgia noted that New England merchants’ pain was shared by Southern plantation owners, “who raise seventy millions of pounds of cotton, and for which they have not a home market for ten millions.” Republican representative Willis Alston of North Carolina stated “that there is but one sentiment on the occasion; that every part of this great community feel its effects, I readily admit; but that they wish its immediate repeal at the expense of our liberty as an independent nation, I positively deny.” Alston shared the example of William Gray, a Federalist merchant and the wealthiest man in New England, who was reported to say that “if the embargo laws were repealed whilst the present restrictions remained in force against our commerce, that any trade would be so hazardous and uncertain, that no honest merchant could or would attempt it.”<sup>115</sup> Gray was estimated to possess a net worth of \$3 million and owned 115 ships.<sup>116</sup> He was a noteworthy case, as he supported the embargo even though it was detrimental to his personal pocket.

Republican supporters feared long-term negative consequences if the United States backed down from the embargo. John Rhea of Tennessee stated that a repeal of the embargo meant that “The neutral rights of the United States will be destroyed, and the right of navigating on the ocean, consistent with the rules of public reason, will be annihilated, and their commerce will be subservient to the rules, regulations, and laws of foreign powers.”<sup>117</sup> Richard Mentor Johnson of Kentucky concluded that “If the merchants directed their course to any other ports than those of the British dominions and countries in friendship and alliance with her, then your property must

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<sup>115</sup> 19 Annals of Cong. 123, 556, 603 (1808).

<sup>116</sup> Malone, *Jefferson the President: Second Term*, 614; Wood, *Empire of Liberty*, 623.

<sup>117</sup> 19 Annals of Cong. 577 (1808).

only float upon the ocean as materials for British plunder. If they were to direct their course to the ports of the British dominions, they would be subject to capture by the French privateers.”<sup>118</sup>

Some argued that too little time had passed to judge the embargo’s impact fairly. Senator Andrew Moore of Virginia remarked that “Under these circumstances, it appears to me that the embargo has not had a fair trial ... but for evasions and miscalculations on our weakness, we should before this have been suffered to pursue our accustomed trade.” Representative Nathaniel Macon of North Carolina pleaded that “The experiment is now making, and I am desirous that it should be fairly made; that if it succeed we shall know the value of the measure and if it fail, hereafter we may not depend on it.” Virginian Thomas Gholson called for patience, anticipating that exclusion of British manufactures would have a crippling effect, and that “Such a state of things, sir, must inevitably tend to the universal impoverishment of Great Britain.”<sup>119</sup>

While some Republicans argued that economic pressure on the British and French must be continued, other party members expressed concerns over the embargo’s domestic political implications. Kentucky Representative Matthew Lyon, imprisoned by the Adams’ administration under the Alien and Sedition Acts a decade before, lamented that “among the diversity of evils and calamities brought on by the embargo system ... none has vexed me so much as the injury done to the cause of republicanism ... my predictions have come to pass. Massachusetts has returned to that Federalism which she had shaken off. New Hampshire has told her embargo delegation that she has no further occasion for their services. Rhode Island has done the same.”<sup>120</sup>

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<sup>118</sup> 19 Annals of Cong. 587-588 (1808); see also comments by William Burwell (VA), 626, and Roger Nelson (MD), 786.

<sup>119</sup> 19 Annals of Cong. 62, 671, 710 (1808).

<sup>120</sup> *Ibid.*, 552.

As the crisis escalated, some legislators called for a “third-way” proposal than neither affirmed nor rejected the embargo. Representative Gurdon Mumford, of New York, suggested a partial restoration of American trade, with all countries other than Great Britain or France. He proposed that “if we permitted this commerce to those countries who were disposed to receive us on friendly terms, Great Britain and France would indirectly receive their supplies,” which would relieve the United States.<sup>121</sup>

In the face of the embargo’s ineffectiveness and unpopularity, a majority of Republicans defied the administration by adopting Mumford’s “half-way” measure, hoping to mollify embargo opponents. The resulting Non-Intercourse Act was passed in the waning days of the Jefferson presidency by a Senate vote on February 21, 1809 of 21 to 12, and on February 27 in the House by a vote of 81 to 40.<sup>122</sup> This legislation negated the Embargo Act by restoring all American international trade except with Great Britain and France.<sup>123</sup>

Passing the Non-Intercourse Act immediately revived American commerce. Within a week of the news, ships were pulling up anchor and departing the previously quiet Salem, Massachusetts harbor. In all, ninety-eight ships departed the port within sixty days of passage, reemploying almost 1,000 sailors.<sup>124</sup>

The Non-Intercourse Act represented a face-saving tactical retreat from the Embargo Act debacle. Albert Gallatin astutely pointed out that restoring trade with all nations except Great Britain and France was tantamount to restoring trade with all nations, as cargoes could easily move to the two great powers via third party ports, just Americans had done earlier in the decade

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<sup>121</sup> Ibid., 532.

<sup>122</sup> Ibid., 436, 1541.

<sup>123</sup> McDonald, *Presidency of Thomas Jefferson*, 155-159.

<sup>124</sup> Phillips, “Jefferson’s “Wicked Tyrannical Embargo,” 476-477.

by use of “broken” voyages.<sup>125</sup> Nathaniel Macon concurred, reasoning that “if your merchants go out under this bill, in my opinion they will evade it.”<sup>126</sup>

Voting in Congress on the Non-Intercourse bill was influenced by a number of factors. If one were dogmatically for or against trade restrictions with the British and/or French, he was likely to vote in a similar manner as he had for the embargo bill in late 1807. However, a free trade sympathizer might theoretically be willing to vote for the bill since it represented an incremental move towards a less restrictive policy. Likewise, a protectionist might potentially vote against the bill for precisely the same reason. Table 3.8 summarizes the Non-Intercourse vote by region:

**Table 3.8.** Ratification Vote of the Non-Intercourse Act of 1809 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, NH, RI, VT)	13	14	3	6
Atlantic	(DE, NJ, NY, PA)	28	11	6	2
Chesapeake	(MD, VA)	21	6	3	1
South	(GA, NC, SC)	12	8	3	3
West	(KY, OH, TN)	<u>7</u>	<u>1</u>	<u>6</u>	<u>0</u>
Totals		81	40	21	12

Source: 19 Annals of Cong. 436, 1541 (1809).

The 1809 aggregate voting totals were similar to those of 1807. However, significant shifts occurred between regions. In particular, New England voted against the bill in both the Senate and House, after supporting the Embargo Act two years before. This shift suggests that the region hadn’t entirely abandoned the administration’s policies. Substantial Republican minorities remained in the respective state congressional delegations. The remaining regions, as they had fourteen months earlier, overwhelmingly supported the legislation.

<sup>125</sup> Malone, *Jefferson the President: Second Term*, 648.

<sup>126</sup> 19 Annals of Cong. 1488 (1809).

**Table 3.9.** Ratification Vote of the Non-Intercourse Act of 1809 by Party Affiliation

Party	House Ayes	House Nays	Senate Ayes	Senate Nays
Republican	78	20	21	6
Federalist	<u>3</u>	<u>20</u>	<u>0</u>	<u>6</u>
Totals	81	40	21	12

Source: 19 Annals of Cong. 436, 1541 (1809).

A review of the 1809 vote by party, shown in Table 3.9, illustrates that party discipline was again an important contributing factor. Both the 1807 Embargo Act and the 1809 Non-Intercourse Act votes were considered by the Tenth Congress and, although the overall voting patterns by region and party were consistent, there was significant movement among individual members. In the House, 26 of the 107 representatives (24%) who voted on both bills switched their positions. In the Senate, 3 of 25 (12%) did the same.<sup>127</sup>

Although the Administration's trade policies economically hurt many Americans on an individual basis, Republicans successfully maintained their political dominance despite the contrasting positions of the two political parties on trade policy. If Americans were terribly discontented over recent trade legislation, the Republicans should have been harshly rebuked in the elections of 1808 and 1809, which took place well after the embargo was in place and before the Non-Intercourse Act was passed. They were not.

Madison, Jefferson's hand-picked successor and primary architect of the trade restriction policies, easily won the presidential election in 1808, tallying 122 of the 176 electoral votes. His primary opponent, Federalist Charles Cotesworth Pinckney of South Carolina, gathered most of his support (39 of 47 votes) from New England.<sup>128</sup> The electoral vote, however, should not be misconstrued to suggest Federalists regained political ascendancy in New England. Despite the unpopularity of their economic policy initiatives in some circles, Republicans maintained their

<sup>127</sup> 19 Annals of Cong. 15, 436, 1221-1222, 1541 (1808-1809).

<sup>128</sup> Jon Preimesberger, ed. *Presidential Elections: 1789-1992* (Washington: Congressional Quarterly, Inc., 1995), 28.

relative positions in the state legislatures of the New England and Atlantic states between 1808 and 1809. The only state where the Federalists made significant political inroads was New York, and these gains were quickly reversed in 1810.<sup>129</sup> The only other notable Federalist victories occurred in Connecticut, the most Federalist state in the nation, and New Hampshire, where the change of a few seats in the small state senate were neutralized by Republican control of the state house. Massachusetts, allegedly bearing the brunt of the economic damage from the embargo, registered no significant changes in the state's political landscape. Republicans retained control of the State's executive branch throughout the Embargo period. Governor James Sullivan softly enforced the Embargo Act and his successor, Levi Lincoln, actively enforced it.<sup>130</sup> Table 3.10 shows the limited scope of Federalist gains in New England state legislatures at the height of the Embargo in 1808-1809:

**Table 3.10.** Federalist Control of State Legislatures in New England and Atlantic States from 1808 to 1809

State	Senate 1808	Senate 1809	House 1808	House 1809	--- Change --- Senate House	
<u>New England:</u>						
Connecticut	100%	100%	71%	77%	none	+6%
Massachusetts	58%	56%	52%	53%	-2%	+1%
New Hampshire	25%	58%	39%	40%	+33%	+1%
Rhode Island	n/a	n/a	54%	57%	n/a	+3%
Vermont	n/a	n/a	46%	39%	n/a	-7%
<u>Atlantic:</u>						
Delaware	67%	67%	67%	67%	none	none
New Jersey	46%	38%	43%	40%	-8%	-3%
New York	28%	38%	42%	57%	+10%	+15%
Pennsylvania	16%	19%	22%	15%	+3%	-7%

Source: Michael J. Dubin, *Party Affiliations in the State Legislatures: A Year by Year Summary, 1796-2006* (Jefferson, North Carolina: McFarland & Company, Inc., Publishers, 2007), 33, 39, 91, 120, 126, 134, 157, 164, 187.

<sup>129</sup> Michael J. Dubin, *Party Affiliations in the State Legislatures: A Year by Year Summary, 1796-2006* (Jefferson, North Carolina: McFarland & Company, Inc., Publishers, 2007), 134.

<sup>130</sup> Thorp Lanier Wolford, "Democratic-Republican Reaction in Massachusetts to the Embargo of 1807," *The New England Quarterly* Volume 15, No. 1 (March, 1942): 50-51.

Republicans also maintained their overall dominance of the federal legislature despite minor Federalist election-year gains. Their Senate control in the new Eleventh Congress was a resounding 28 to 6 majority. In the House, even though Federalists gained 24 seats, Republicans retained a comfortable overall advantage by a 94 to 48 margin.<sup>131</sup>

The American trade war proved ineffectual, leading Congress to rebuke the administration by passing the Non-Intercourse Act, legislation that neither Jefferson nor Madison desired. Jefferson departed the White House a frustrated and discouraged man, confiding to James Monroe shortly before departing Washington D. C. that “There never has been a situation of the world before, in which such endeavors as we have made would not have secured our peace.”<sup>132</sup> To Pierre Dupont he wrote “After using every effort which could prevent or delay our being entangled in the war of Europe, that seems now our only recourse.” Jefferson defended his actions, noting that “The edicts of the two belligerents, forbidding us to be seen on the ocean, we met by an embargo. This gave us time to call home our seamen, ships and property.”<sup>133</sup>

James Garnett, John Randolph’s close congressional ally, decided not to run for office at the end of the Tenth Congress in 1809, and offered a sharply different assessment of the embargo than Jefferson. In an open letter to his constituents, he shared his “deep, but unavailing regret, that this repeal could not have taken place before the violent and highly censorable conduct of some of the people had inflicted a wound on the integrity of our union ... the embargo is off, and we are likely to still remain at peace.” He further reflected that “you have been often told, that the Embargo was chiefly designed to get home our resources, amongst which were our seamen. But how has it operated in this respect? The number of those unfortunate men, whose only

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<sup>131</sup> Carter, et al., eds., *Historical Statistics*, 5:200.

<sup>132</sup> Jefferson, *Writings*, 1199, Jefferson to James Monroe, 28 January 1809.

<sup>133</sup> *Ibid.*, 120, Jefferson to P. S. Dupont de Nemours, 2 March 1809.



means of living was employment on the water, who from being too proud to beg or rob, have been compelled to seek a foreign service.”<sup>134</sup>

### **Mr. Madison’s War**

On Saturday, March 4, 1809, James Madison swore the oath of office, becoming the fourth president of the United States. In his brief inaugural address, the new chief executive praised his predecessor.<sup>135</sup> Although the White House now had a new occupant, executive branch policy changed little. Madison, as Secretary of State, had been Jefferson’s chief lieutenant for eight years and the key architect of the trade restriction policies from 1806 through 1809.

Madison, in his first term, continued attempts to use trade policy for diplomatic ends. His two major political objectives remained recognition of American neutral shipping rights and an end to British naval impressments. These efforts suffered for lack of consistent application, a failure to cause any substantial economic pain to Great Britain and France, and very poor performances by Madison’s foreign diplomats. Federalist James Hillhouse prophetically warned in 1809 that the Non-Intercourse Act “marches us to the precipice, from which the next step may plunge the nation into a war, incalculable as to calamity and duration.”<sup>136</sup>

A series of diplomatic misunderstandings led Madison, erroneously believing that Great Britain had removed all of its trade restrictions, to revoke American trade restrictions against the British in June, 1809. When the news broke, more than six hundred American ships picked up anchor, anxious to restore active trade. Unfortunately, later in the same month, word arrived that the British had issued revised Orders in Council, continuing the blockade of Continental Europe,

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<sup>134</sup> James Garnett to freeholders of Caroline, Essex, King and Queen, and King William counties, 25 February 1809, University of Virginia, Albert and Shirley Small Special Collections Library.

<sup>135</sup> Ketcham, *James Madison*, 474-475.

<sup>136</sup> 19 Annals of Cong. 424 (1809).

and challenging American insistence on neutral rights.<sup>137</sup> The administration hastily re-imposed non-intercourse restrictions in the summer when it became clear that Great Britain hadn't made any substantive concessions at all.<sup>138</sup> American ships sailing in summer 1809 reported that they were only marginally profitable, and in some instances unprofitable, demonstrating that British policies continued to hold American commercial activities hostage.<sup>139</sup>

Any chances for retrieving the diplomatic breakdown or improving dialogue were hampered by temporarily vacant ambassadorships in both London and Washington in early 1810.<sup>140</sup> In May 1810 Congress passed another trade-related legislative act, entitled Macon's bill number 2. This legislation amended the Non-Intercourse Act to allow American shipping to engage in commerce with all nations, including the British and the French, although the two major powers' warships remained prohibited from American harbors. The most important provision of this new act declared that if either Great Britain or France rescinded their trade restrictions against the United States, the American government would reinstate an embargo against the other.

Napoleon quickly seized upon this new bill and declared that the Berlin Decree would no longer apply, effective November 1810. However, the French declaration contained qualifications requiring the United States to cease all commerce with Britain. The Madison administration hastily accepted the French offer and Anglo-American trade was again curtailed even though the French government failed to live up to its pledges. British imports to the United States could now only be carried by American ships and all British shipping was banned from

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<sup>137</sup> Ketcham, *James Madison*, 494.

<sup>138</sup> Wood, 664-665.

<sup>139</sup> Ketcham, *James Madison*, 497.

<sup>140</sup> Rutland, *Presidency of James Madison*, 47.

American harbors. American restrictions would only be rescinded when the standing British Orders of Council were withdrawn.<sup>141</sup>

Tensions between the United States and Great Britain continued throughout 1811 and into early 1812. In March, Congress went into secret session, considering another embargo as a prelude to war. Not surprisingly, word leaked out and an unusually large number of ships lifted anchor and sailed out of American harbors on March 31.<sup>142</sup>

The European projection of economic power on the United States during Madison's first term was effective. Between the passage of the Embargo Act and the outbreak of hostilities against Great Britain in 1812, the two major European powers seized almost nine hundred American ships.<sup>143</sup> In May 1812, dispatches arrived in the United States indicating that, despite ongoing diplomatic efforts, Britain was unwilling to modify their current version of Orders of Council.

The Republicans had escalated trade tensions in the name of American sovereignty, and the stalemated status of diplomatic efforts created an uncomfortable political situation for them. Madison concluded that there was no alternative but to request a declaration of war against Great Britain. He did so on June 1, 1812, in a message to Congress asserting that British conduct "presents a series of acts hostile to the United States as an independent and neutral nation ... it has become, indeed, sufficiently certain that the commerce of the United States is to be sacrificed, not as interfering with the belligerent rights of Great Britain; not as supplying the wants of her enemies, which she herself supplies; but as interfering with the monopoly which she

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<sup>141</sup> Ibid., 62-66, 72-73.

<sup>142</sup> Ibid., 90-91.

<sup>143</sup> Donald R. Hickey, *The War of 1812, A Forgotten Conflict* (Urbana, Illinois: University of Illinois Press, 1990), 19.

covets for her own commerce.”<sup>144</sup> By June 18, both the House and Senate had approved the measure, officially commencing the War of 1812.<sup>145</sup>

Though many Americans embraced the declaration of war, others expressed reservations. John Randolph was aghast, confiding to James Garnett that “the die is cast, and the ruin of a nation is the cheap price brokering of the aristocracy, of a few of the most weak & worthless individuals in it.” Writing financier David Parish, he complained that “affairs here are in the worst imaginable posture; to afford no room for those whom I believe to be true friends of the country.” Garnett wrote Randolph that “it seems improbable to me that the delusion, may I not say the madness, can be much longer kept up ... woe be to the author of this war ... on ten years longer practice, you may come to do tolerable journeyman’s work at this game of hypocrisy.”<sup>146</sup>

Ironically, a little patience could have prevented the war. After six challenging years of using economic policy to pressure Great Britain, the former mother country finally acquiesced. Only two days prior to the American declaration of war the British government, under pressure from its iron making industry, agreed to suspend the Orders in Council. The move came too late.<sup>147</sup>

The United States was ill-prepared for the outbreak of the war. Many Americans believed that a conquest of Canada was a mere formality, ignoring that Republican policies left the army and navy both small and poorly equipped in 1812, despite threats of hostilities the previous six years. This was particularly true of the American navy, which possessed only three frigates at the war’s start to challenge almost eighty royal navy warships operating in the western side of

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<sup>144</sup> Madison, *Writings*, 685, 688.

<sup>145</sup> Hickey, *War of 1812*, 43-46.

<sup>146</sup> John Randolph to James Garnett, 2 April 1812; John Randolph to David Parish, 12 June 1812; James Garnett to John Randolph 12 April 1812; James Garnett to John Randolph 23 December 1812, University of Virginia, Albert and Shirley Small Special Collections Library.

<sup>147</sup> Hickey, *War of 1812*, 43-46; Rutland, *Presidency of James Madison*, 96-97.

the Atlantic alone.<sup>148</sup> Republicans, expecting that Canada would rapidly fall, failed to requisition sufficient funding for a navy they considered unnecessary.

Republican inattentiveness towards the American military became abundantly clear soon after hostilities began. A three pronged advance into Canada in 1812 by way of Detroit, Niagara, and northward along Lake Champlain failed disastrously. American military fortunes fared poorly again in 1813 in spite of a successful raid that sacked the Canadian capital at York in the spring, William Henry Harrison achieved a major land victory at the Battle of the Thames in the fall, effectively breaking remaining Indian military power in the Northwest Territories, but Harrison's army returned to Detroit by year's end. By 1814, Britain was freed from the European wars by Napoleon's abdication, and transferred additional troops to North America. A British raid on Washington retaliated for the York raid of the preceding year, but the invading force was stopped at Baltimore. The sole major American land success occurred in January 1815 when General Andrew Jackson's decisively defeated British forces at the Battle of New Orleans.<sup>149</sup>

American naval operations did not fare much better. After Admiral Nelson's 1805 victory at Trafalgar, the British navy dominated the Atlantic Ocean shipping lanes. Although the American navy frequently bested their British counterparts in a series of single ship engagements early in the war, by late 1813 American warships were effectively bottled up in home ports and rendered ineffective. The Royal Navy selectively applied the blockade in the hopes of fostering American political discontent, particularly in New England. By the fall of 1812, Britain laid a blockade extending from Narragansett Bay southward, leaving the New England ports open.

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<sup>148</sup> Rutland, *Presidency of James Madison*, 109.

<sup>149</sup> Hickey, *War of 1812*, 81-90, 128-146, 190-212.

This strategy was so effective that, in 1814, the customs houses in Massachusetts collected \$1.6 million in duties, compared to only \$4,000 for the entire state of Virginia.<sup>150</sup>

As the war floundered, the Madison administration again considered using economic policy against Great Britain. In December 1813, Congress imposed an embargo on all American shipping, with a goal to cut off shipments of export goods for the British war effort in Europe, particularly in the Iberian Peninsula.<sup>151</sup> However, only three months later, Madison reversed his position and requested Congress to rescind the embargo except for British imports.<sup>152</sup>

Just as Madison suspended the new embargo, Great Britain tightened its naval blockade to incorporate all of New England and the Louisiana port of New Orleans. The British attacked New England shipping, destroying merchant ships in various ports, and seizing key locations along the coastline.<sup>153</sup> American commerce was brought to a virtual standstill and the active national merchant marine shrank from 948,000 tons in 1811 to only 60,000 tons by 1814.<sup>154</sup>

The United States and Great Britain commenced direct peace negotiations in August 1814, in Ghent, Belgium. The American negotiating team was first rate, including former senator John Quincy Adams, House speaker Henry Clay, Secretary of the Treasury Albert Gallatin, Senator James Bayard and diplomat Jonathan Russell. In contrast, the best British diplomats were in Vienna negotiating the future of post-Napoleonic Europe, and consequently their delegation at Ghent was comprised of less talented men.<sup>155</sup>

The two nations successfully concluded a peace treaty on December 24, 1814, returning the political situation to the pre-war status quo. A draft treaty reached Washington on February 13,

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<sup>150</sup> Rutland, *Presidency of James Madison*, 126.

<sup>151</sup> Wood, *Empire of Liberty*, 689.

<sup>152</sup> Rutland, *Presidency of James Madison*, 147.

<sup>153</sup> *Ibid.*, 157.

<sup>154</sup> Hickey, *War of 1812*, 215.

<sup>155</sup> *Ibid.*, 285.

1815, which the Senate ratified three days later. American grievances of neutral shipping rights and impressments were not addressed, but they were now moot issues after Napoleon's downfall. Madison's government could not have been more fortunate under the circumstances.<sup>156</sup>

In late 1814, Federalist leaders met in Hartford Connecticut to consider their political options. The gathering was ill-fated from the beginning. Early in the month news circulated that peace discussions were progressing. Nevertheless, Federalists aimed to gain political advantage over national war weariness and economic difficulties. The states of Massachusetts, Connecticut and Rhode Island sent delegations, though Vermont and New Hampshire declined. A minority group in the Rhode Island legislature even called for a resolution criticizing the Hartford meeting, but they were voted down.<sup>157</sup>

The Hartford Convention produced a memorial recommending several constitutional amendments. Trade was a major topic of concern. One proposed amendment called for a two-thirds majority requirement in Congress to interrupt trade with other nations, while another sought to limit embargoes to a maximum of sixty days duration.<sup>158</sup>

Overall, the Convention report's tone was moderate. The state legislatures in Massachusetts and Connecticut approved the report and sent a delegation, headed by Harrison Gray Otis of Massachusetts, to present it. Before they reached the capital, news of Ghent and New Orleans began circulating.<sup>159</sup> The Federalist Party, victims of bad timing, was branded disloyal in the aftermath of both great national successes, and lost its national influence after Hartford.

The Jeffersonian Experiment produced meaningful and important developments in the American economy, even though they were unintended. Reduced international trade encouraged

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<sup>156</sup> Ibid., 287-298.

<sup>157</sup> Rutland, *Presidency of James Madison*, 175-176, 180.

<sup>158</sup> Hickey, *War of 1812*, 277.

<sup>159</sup> Ibid., 277-280.

entrepreneurial citizens to engage in small scale manufacturing to address consumer demands for finished goods. The nation domiciled 15 cotton mills in 1808, but by 1814 that number increased to 243 scattered throughout the nation.<sup>160</sup>

Republicans waged war as ineffectively as they had trade policy. Both efforts utterly failed to meet their objectives. Although American self-confidence was restored by Jackson's victory at New Orleans, any objective review of American military and economic policy from 1806 through 1815 would have to conclude that the nation had come perilously close to disaster.

### **Conclusions**

The United States and Great Britain engaged in economic war between 1806 and 1815, including war by military force between 1812 and 1815. American trade policy caused the War of 1812. The result was an economic, military and diplomatic debacle.

Jefferson and Madison both expressed views in the 1790s that trade policy could be used effectively against stronger European nations in lieu of a military confrontation. The Jeffersonian experiment ironically used draconian means completely opposed to free trade ideology in an attempt to achieve free trade ends. They remained blindly devoted to pressuring Great Britain through trade restrictions, and war was the consequence. Although ancillary issues such as impressments stirred American indignation and anti-British rhetoric, trade policy was the root cause of the conflict.

The Jeffersonian experiment failed. Historian Gordon Wood noted that "The Republicans came to power in 1801 very much committed to the liberal principles of international commerce ... Their ultimate aim, confused and confusing as it often was, was truly grandiose."<sup>161</sup> Jefferson and his followers sincerely believed that liberal economic principles, including free trade, could

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<sup>160</sup> Wood, *Empire of Liberty*, 702-703.

<sup>161</sup> *Ibid.*, 630.



be exported to all corners of the globe. However, Republican efforts to put theory into practice created a confusing, and frequently shifting, series of legislative measures. John Randolph, observing the administration's efforts, commented that "It had unfortunately happened that during the whole course of the discussion there had been an extreme want of precision with respect to the object in view."<sup>162</sup>

Between 1800 and 1816, Jefferson and Madison faced circumstances beyond their immediate control, and they struggled in their response. British attacks on American sovereignty, mainly through impressment, so greatly strained Anglo-British relations that war broke out in 1812. Norman Risjord contends that "the War of 1812 was the most uneconomic war the United States has ever fought."<sup>163</sup> Risjord's points out that the root cause of the War was national honor. The use of trade restrictions was only the "means" that Jefferson and Madison employed to achieve adequate recompense.

During that time the two chief executives and a large number of Republicans gradually shifted from their free trade principles to a more nationalistic view of trade policy. Historian Lawrence Peskin notes that "by the early nineteenth century, many pro-manufacturing Republicans began calling for the development of a new economy resting on domestic production, in contradistinction to the Federalists' growing emphasis on overseas trade." This trend was hastened by the fact that important nationalists like Tench Coxe and Matthew Carey migrated from the Federalists over to the Republicans.<sup>164</sup>

The primary causes of American trade policy failure were inconsistent application and a lack of political will. The confusing, and frequently changing, array of legislative acts and diplomatic

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<sup>162</sup> 19 Annals of Cong. 680 (1808).

<sup>163</sup> Norman K. Risjord, "National Honor as a Unifying Force," in *The Causes of the War of 1812, National Honor or National Interest*, edited by Bradford Perkins (New York: Holt, Rinehart and Winston, Inc., 1962), 86.

<sup>164</sup> Lawrence A. Peskin, "How the Republicans Learned to Love Manufacturing: The First Parties and the "New Economy"," *Journal of the Early Republic* Volume 22, No. 2 (Summer, 2002): 238, 241-242.

initiatives between 1806 and 1812 appeared indecisive and weak to the European powers. The active and rancorous domestic debate encouraged Great Britain and France to patiently wait out American trade policy initiatives. Republicans overestimated the short-term impact of American foreign trade restrictions on the European powers.

The American private sector contributed to inconsistent trade policy initiatives through its use of political pressure. Representative George Washington Campbell of Tennessee ruefully inquired “What occasioned the passage of the non-importation act? The numerous petitions of ... merchants.”<sup>165</sup> The greatest proponents for trade restrictions were initially the merchants, who later became the greatest critics when their economic self-interests were severely damaged. It would be wrong to assume that all merchants supported the Federalist perspective on the trade issue. Some merchants supported the Jeffersonian experiment, either out of principle or financial self-interest. The Crowninshields were one example. William Gray was an example of a successful Federalist merchant supporting the Administration policies.<sup>166</sup>

Utopian Jeffersonian hopes to export free trade ideology failed. The harsh reality was that the United States remained a second-class economic power, and perhaps an even lesser military one. Napoleon’s downfall and the Congress of Vienna began a reactionary period in European politics, and liberal trade ideas along Jeffersonian lines were little more welcome than French revolutionary notions of government.

American restrictive trade policies between 1800 and 1815 detrimentally impacted American economic growth and prosperity. Figure 3.1 illustrates American real GDP per capita from the Founding through 1816, a proxy for the standard of living for average American citizens.<sup>167</sup> The trend was modestly positive. During the years between 1790 and 1800, the economy grew

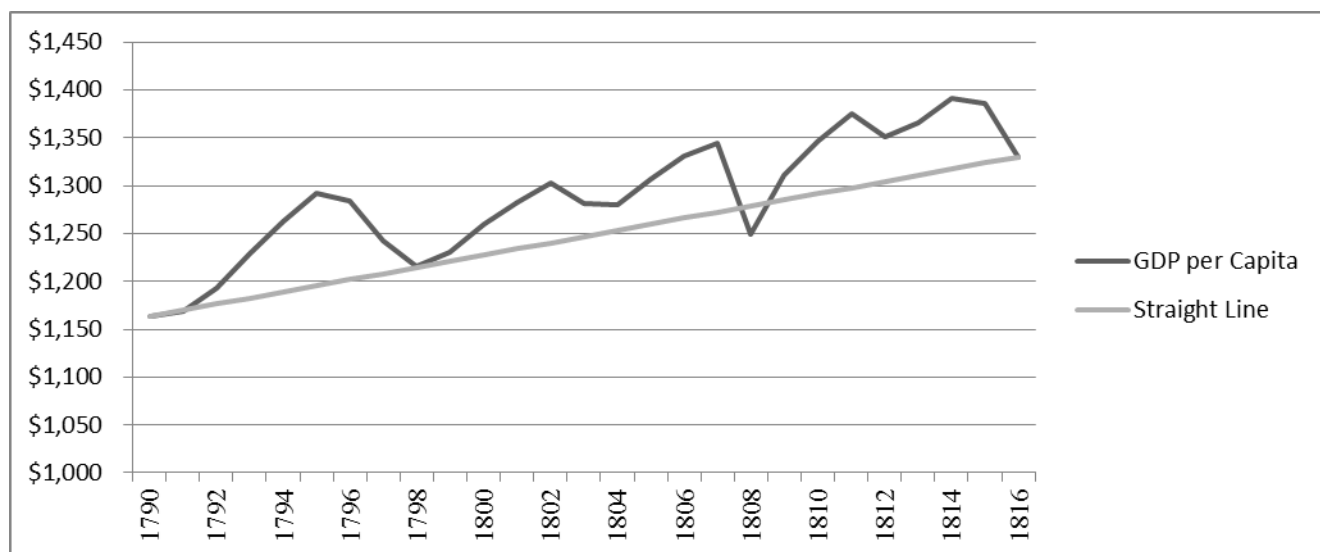
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<sup>165</sup> 19 Annals of Cong. 736 (1808).

<sup>166</sup> McDonald, *Presidency of Thomas Jefferson*, 107.

<sup>167</sup> This measurement is calculated based upon a trailing three year average.

0.80% annually. From 1800 through 1816, however, the annual growth rate dropped to less than half of pre-1800 levels, increasing only 0.34% per annum.<sup>168</sup> A short-term “bust” period occurred in the 1807 to 1808 time frame, coinciding with the embargo.



**Figure 3.1.** American GDP per Capita, 1790 to 1816 (in real dollars = 1996) (3 year rolling average)

Source: Carter, et al., eds., *Historical Statistics*, 1:30, 3:23.

The United States maintained a fairly steady proportion of foreign trade relative to Gross Domestic Product (“GDP”) from 1790 through 1807, as depicted in Figure 3.2.<sup>169</sup> During this time frame Openness ranged between 22% and 30%, with the high point reached in 1807, just before the embargo was put into force. A comparison to the average tariff rate between 1790 and 1807 suggests that rising tariff rates had minimal adverse impact upon overall trade. American international commerce increased even as tariff rates rose, indicating that duties were not yet high enough to act as a protective agent for any significant portions of the national economy.

Trade patterns rapidly changed after 1807, when trade restrictions were initially put in place. Foreign commerce, relative to the American economy, dramatically fell between 1807 and 1815,

<sup>168</sup> Carter, et al., eds., *Historical Statistics*, 1:30, 3:23. Rate of growth calculated on a compounded basis.

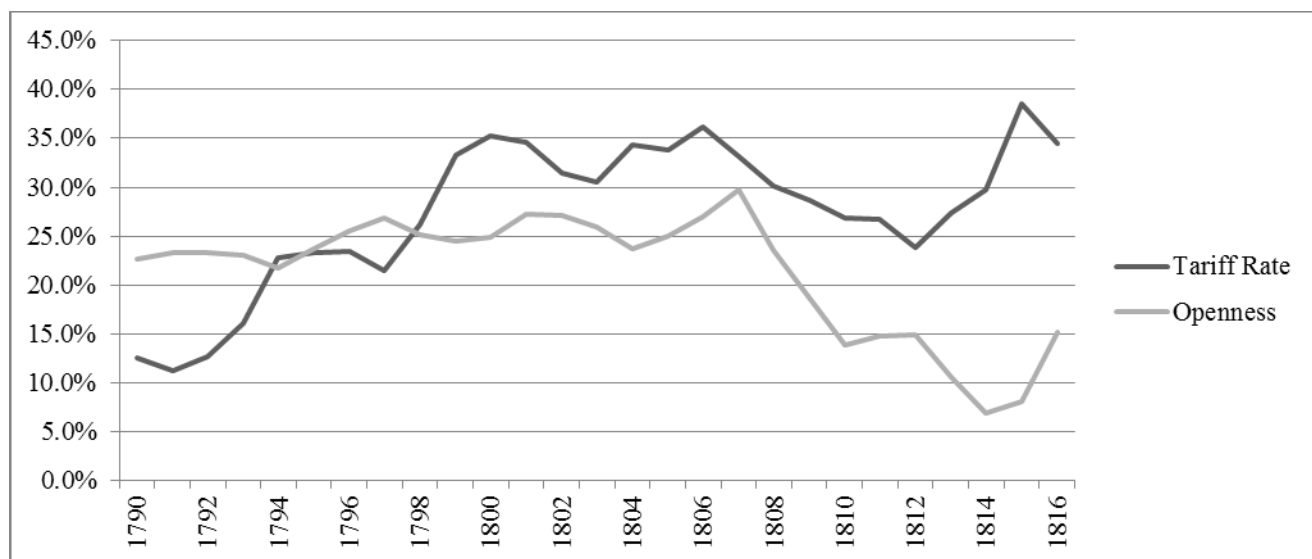
<sup>169</sup> Illustrated as “Openness” in Figure 3.1, and calculated as (imports + exports) / GDP based upon a trailing three year rolling average.

starting with the embargo, continuing with escalating international tensions with Great Britain and France, and reaching a climax with the War of 1812. A collapsing trade situation with Great Britain, still the most significant trading partner of the United States, inevitably led to war between the two nations.

In the early nineteenth century the United States, though politically independent, remained in an economic neo-colonial relationship with Great Britain. The bravado heard in the House chambers during the non-importation debates in 1806 proved empty. The harsh reality was that a cessation of trade hurt the United States far more than the British. New England merchant John Corlis exemplified the plight of those personally impacted by the embargo, war and blockade. In a letter, he sadly observed that “I am well aware that you could not foresee the embargo & pray who in this nation could have anticipated an embargo on the coastal trade, it does indeed seem to me more a hostility to New England than Old England. If it shall continue any length of time, I do not see how I shall continue”<sup>170</sup> A foundational principle of Jefferson’s and Madison’s economic paradigm, that economic warfare was the United States’ greatest weapon in the arena of foreign policy, was debunked. If anything, Republican trade policy accomplished the exact opposite. Instead of forcing a peace, it instigated a war.

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<sup>170</sup> John Corlis letter, 4 January 1814, Filson Historical Society special collections, Louisville, Kentucky.



**Figure 3.2.** American Foreign Trade, 1791 to 1816 (3 year rolling average)

Source: Carter, et al, eds., *Historical Statistics*, 5:498, 510; “Measuring Worth,” <http://www.measuringworth.org/usgdp/>.

The most important byproduct of the Jeffersonian Experiment was the rapid growth of American infant industries, including cotton and wool manufactures, as well as iron production. Economists Douglas Irwin and Joseph Davis have pointed out that while commerce oriented industries suffered between 1807 and 1815, enduring a 20% declination from expected growth results, the aforementioned newer industries enjoyed growth that was 20% in excess of normal expectations.<sup>171</sup> These new industries grew in response to the vacuum created by the drop in trade with Great Britain, but remained at a comparative economic disadvantage relative to British producers at the close of hostilities.

The difficult experiences between 1800 and 1816 caused both Jefferson and Madison to make pragmatic shifts in their own thinking. Jefferson’s flexibility in response to changing circumstances is exemplified by a November 1808 written address that he delivered to Congress:

<sup>171</sup> Douglas A. Irwin and Joseph H. Davis, *Trade Disruptions and America’s Early Industrialization* (Cambridge Massachusetts: National Bureau of Economic Research, 2003), Working Paper 9944: 2, 6.

The suspension of foreign commerce ... has impelled us to apply a portion of our industry and capital to internal manufactures and improvements. The extent of this conversion is daily increasing, and little doubt remains that the establishments formed and forming will, under the auspices of cheaper materials and subsistence, the freedom of labor from taxation with us, and of protecting duties and prohibitions, [emphasis added] become permanent.<sup>172</sup>

The President's outlook represented a sea change from earlier positions on trade policy. This paradigm shift was caused by changing circumstances; the Jeffersonian experiment resulted in outcomes that sharply diverged from its original intent.<sup>173</sup>

An important development during the Jeffersonian Experiment was the growth of private-sector special interest groups, a side-effect of trade policy initiatives. New England merchants stand out as the prime example of this trend. Many of them were actively behind the petition movement that deluged President Jefferson in the latter part of 1808. Common citizens also sent numerous memorials directly to Congress. As an example, in February 1809, New York citizens from New York City's Third Ward remonstrated Congress for the severity of the embargo enforcement laws. In their memorial, they complained that the "excessive security required for vessels and cargoes, (being six times their value) is productive of various vexations and oppressions ... the act operates as a total prohibition of the use of ... property."<sup>174</sup>

The Treaty of Ghent retrieved the United States from a dangerous political and military situation. However, Republicans were disunited on how to proceed forward with trade policy in the post-war world. While Jefferson and Madison shifted their stances on trade closer to economic nationalism, other Republicans such as John Taylor of Caroline, temperamental John Randolph and his Quid followers thought otherwise. This minority branch of the party remained

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<sup>172</sup> 19 Annals of Cong. 14 (1808).

<sup>173</sup> Stuart Bruchey suggests that Jefferson and the Republicans were exhibiting nationalist positions towards manufacturing and trade policy as early as 1802, see Bruchey, *The Roots of American Economic Growth, 1607-1861* (New York: Harper & Row, 1965), 120-121.

<sup>174</sup> 19 Annals of Cong. 1778 (1809).

steadfastly devoted to laissez-faire principles. In the midst of the economic and military hostilities, Representative William Burwell of Virginia hearkened back to the trade debates of the 1790s, declaring that “I contend for nothing but free trade, and ask nothing more of them, nor will I ever be content with less.”<sup>175</sup> David Williams of South Carolina stated that “I am for no high protecting duties in favor of any description of men in this country.”<sup>176</sup>

Historian Gordon Wood noted that “The War of 1812 did finally establish for Americans the independence and nationhood of the United States that so many had previously doubted ... Americans thought of the War of 1812 as “the second war for American Independence.””<sup>177</sup> Yet, this second war differed from the first in many ways. Although both wars featured the same foe, war aims were distinctly different. The Revolution was fought for political independence, an issue that was totally absent in 1812. Even the Duke of Wellington acknowledged that the United States could not be conquered. The War of 1812 instead was a war for economic independence.

Although the Treaty of Ghent ignored the pre-war issues of neutral rights and impressments, the corresponding end of the European wars in 1815 marked a significant change in international politics. Though the participants did not realize it at the time, the Pax Britannica was beginning. How would the United States, still weaker than Great Britain both commercially and militarily, fit into the new evolving world order? Despite the national wartime traumas, some Republicans concluded that the recent national experience had fundamentally changed the American nation.

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<sup>175</sup> Ibid., 620 (1808).

<sup>176</sup> Ibid., 799.

<sup>177</sup> Wood, *Empire of Liberty*, 699.

Representative Charles Ingersoll of Pennsylvania declared that “This holy war has advanced us a century per saltem in power and character,”<sup>178</sup>

The end of the war brought economic peace and Republicans now considered what new trade policy should succeed the discredited Jeffersonian experiment. The poor military showing convinced many Americans to prioritize national security, in order to protect the nation against any future British military or economic threats. Consequently, economic nationalism and protection began to be viewed in an ever more positive light. Ingersoll correctly asserted that the country was changing. For one, the new Fourteenth Congress was filled with many young faces reflecting a changing American political landscape. President Madison, whose own political heritage traced back to the Constitution, would craft trade policy with a legislature that included the likes of recently elected Henry Clay, John Calhoun, and Daniel Webster, all less than forty years old.

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<sup>178</sup> Steve Watts, *The Republic Reborn: War and the Making of Liberal America, 1790-1820* (Baltimore, Maryland: The Johns Hopkins University Press, 1987), 99.



## CHAPTER 4 – SYNTHESIS: THEORIES, EXPERIENCES, NEW POLICIES, AND THE TARIFF OF 1816

*“Neither agriculture, manufactures, nor commerce, taken separately, is the cause of wealth; it flows from the three combined, and cannot exist without each ... without commerce, industry would have no stimulus; without manufactures, it would be without the means of production; and without agriculture, neither of the others can exist ... When our manufactures are grown to a certain perfection, as they soon will under the fostering care of Government, we will no longer experience these evils.”<sup>1</sup>*

- Representative John C. Calhoun of South Carolina (April 4, 1816 remarks to the House)

*“should the National Government, pursuing an enlightened and liberal policy, sustain and foster the manufacturing establishments, a few years would place them in a condition to bid defiance to foreign competition, and would enable them to increase the industry, wealth, and prosperity of the nation.”<sup>2</sup>*

- House Committee of Commerce and Manufactures Report (presented to the House on February 13, 1816)

*“what do the principles about which such a contest is maintained amount to, but a system of bounties to manufacturers, in order to encourage them to do that which, if it be advantageous to do it at all, they will do, of course, for their own sake; a largesse to men to exercise their own customary callings, for their own emolument.”<sup>3</sup>*

- Representative John Randolph of Virginia (January 16, 1816 remarks to the House)

The Jeffersonian Experiment and the War of 1812 exposed many weaknesses in the American economy. Policies such as trade restraints and embargos produced disaster. The American treasury desperately struggled to fund the war. Although the Battle of New Orleans and the Treaty of Ghent salvaged a degree of national pride, prudent observers realized that the United States was quite fortunate to achieve a military and political stalemate.

Napoleon’s defeat at Waterloo brought peace to Europe, but there were no assurances that the situation was permanent. The United States remained in the midst of a hostile international environment, and the Congress of Vienna produced a political reaction against republican ideals. European nations still possessed sufficient military and commercial resources to harm the United States, a fact very apparent to all Americans.

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<sup>1</sup> 29 Annals of Cong. 962 (1816).

<sup>2</sup> Ibid., 600.

<sup>3</sup> Ibid., 962.

In 1816, a year after the Ghent peace, Congress reconsidered American trade policy with a goal to facilitate expanding and stabilizing the domestic economy. It chartered the Second Bank of the United States, tacitly acknowledging that the absence of a national bank had harmed the war effort. The Tariff of 1816 was a second move, rejecting the Jeffersonian Experiment and establishing protection for the nascent American manufactures sector.

Three major factors motivated Congress to consider a new course in trade policy. First, the federal treasury needed revenues to repay the massive debts caused by the war. Second, it was apparent that the United States hadn't been adequately prepared for the recent war, and needed to economically prepare itself for a possible recurrence. Finally, reestablished trade with Britain brought a sudden and substantial increase in imports, reintroducing foreign competition to the American marketplace, particularly in the area of manufactured goods.

A critical element differentiating the Tariff of 1816 from all previous tariff bills was the open effort to protect certain American industries, and especially manufactures established during the previous decade. The Republican congressional majority, chastened by the experiences of the recent war, sought a pragmatic policy to enhance American economic strength and prosperity. However, some Republicans formed a "loyal opposition," unwilling to abandon the free trade principles that had characterized Republican trade ideology in the 1790s.

### **Calls for Protection**

Republicans retained strong control of the Fourteenth Congress, which faced the task of establishing post-war policies. The elections in late 1814, during the War's last phases, improved the Republican House majority from a 112 to 68 advantage to a 117 to 65 margin. The party lost Senate seats, but retained a comfortable 25 to 11 majority in the upper chamber.<sup>4</sup>

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<sup>4</sup> Carter, et al., eds., *Historical Statistics of the United States*, 5:200.

James Madison asked Congress to reevaluate trade policy in his annual address on December 5, 1815. The president noted that “In adjusting the duties on imports to the object of revenue the influence of the tariff on manufactures will necessarily present itself for consideration ... experience teaches us that so many circumstances must occur in introducing and maturing manufacturing establishments, especially of the more complicated kinds.” Madison’s solution was “a protection not more than is due to the enterprising citizens whose interests are now at stake” which would allow American manufactures to become “safe against occasional competitions from abroad ... [and] a source of domestic wealth an even of external commerce.”<sup>5</sup>

Madison’s call for increased protection was partly motivated by the many petitions that manufacturing interests sent to Washington. The practice of submitting memorials in a large-scale, organized manner began during Jefferson’s second term and continued into the post-war period. In early 1816, the House received numerous petitions praying for protection of a variety of interests, including cotton manufacturers, jewelers, chemical manufacturers, copper manufacturers, and sugar planters. At the same time, remonstrating petitions sought a repeal of duties, signaling a divided American public on the issue.<sup>6</sup>

The War’s end reinvigorated American foreign trade. Imports and exports both rose dramatically in 1815 and 1816. Total American international trade increased eight-fold in 1815 and another 33% in 1816 (see Table 4.1). Merchants happily experienced improved profits, including margins of 50% from some voyages. Although increased trade benefitted merchants, it proved detrimental to American manufacturers. International demand for Southern cotton pushed prices from thirteen cents to twenty-seven cents per pound between 1814 and 1816.<sup>7</sup>

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<sup>5</sup> Madison, *Madison, Writings*, 715-716.

<sup>6</sup> 29 Annals of Cong. 451, 458, 678-679 (1816).

<sup>7</sup> J. Leander Bishop, *History of American Manufactures from 1608 to 1860* (Philadelphia, Pennsylvania: Edward Young & Co., 1868), 2:212-213.

Increased raw material costs, combined with more competition from foreign producers, created difficulties for American cotton manufacturers.

**Table 4.1.** United States Imports and Exports from 1807 through 1816 (in millions)

Year	Imports	Exports	Total	Surplus/(Deficit)
1807	139	49	188	(90)
1808	57	9	66	(48)
1809	59	31	90	(28)
1810	85	42	127	(43)
1811	53	45	98	( 8)
1812	77	30	107	(47)
1813	22	25	47	3
1814	13	7	20	( 6)
1815	113	46	159	(67)
1816	147	65	212	(82)

Source: Carter, et al., eds., *Historical Statistics*, 5:498.

British manufacturers returned to the American marketplace with minimal trade barriers. British Parliament member James Brougham aggressively endorsed economic war against the emerging American manufacturing sector. He haughtily declared that “it was even worthwhile to incur a loss upon the first exportations, in order by the glut to stifle in the cradle these rising manufactures in the United States, which the war had forced into existence, contrary to the natural course of things.”<sup>8</sup>

From 1806, due to stifled international trade, American cloth manufacturing industries grew rapidly. By 1815, an estimated that \$40 million was invested in cotton manufacturing industry fixed assets and another \$12 million in woolen manufactures. The expansion was remarkable given that the nation domiciled just four cotton manufactories in 1803.<sup>9</sup> By 1806, 13 cotton

<sup>8</sup> Ibid., 2:212.

<sup>9</sup> Ibid., 2:102, 214.

manufactories had been established in the Northeast. During the trade wars from 1807 through 1811, another 32 were erected. From 1812 to 1815, American investors built 108 more.<sup>10</sup>

On February 23, 1815, a week after the Treaty of Ghent was ratified, Congress requested Secretary of the Treasury Alexander J. Dallas to prepare a report with specific recommendations for tariff policy.<sup>11</sup> Dallas submitted his report a year later on February 13, 1816.<sup>12</sup> The Dallas Report ranks alongside Hamilton's *Report on Manufactures* as one of the most important documents influencing American foreign trade policy. Its sentiments and proposals paralleled Hamilton in many ways, but contrasted in others, reflecting economic changes brought on by the Industrial Revolution. The Report rejected the Jeffersonian Experiment and proposed policies intended to make the United States self-sufficient in manufactures as rapidly as possible.

Dallas's report approached the trade policy question in three ways. First, it assessed the impact of the new peace on the American economy. Next, Dallas defined necessary principles for national trade policy on a forward basis. Lastly, he delivered a specific tariff proposal to Congress for consideration. The second and third objectives were the most important, as they laid both the theoretical and practical foundation for a new tariff. Dallas identified three distinct classes of goods and noted why, or why not, they were entitled to protection as follows:

- **First Class:** Manufactures which are firmly and permanently established, and which wholly, or almost wholly, supply the demand for domestic use and consumption.
- **Second Class:** Manufactures, which, being recently or partially established, do not at present supply the demand for domestic use and consumption, but which, with proper cultivation, are capable of being matured to the whole extent of the demand.
- **Third Class:** Manufactures which are so slightly cultivated as to leave the demand of the country wholly, or almost wholly, dependent upon foreign sources for a supply.<sup>13</sup>

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<sup>10</sup> Clive Day, "The Early Development of the American Cotton Manufacture," *The Quarterly Journal of Economics* Volume 39, No. 3 (May, 1925): 452.

<sup>11</sup> 28 Annals of Cong. 1186 (1815).

<sup>12</sup> 29 Annals of Cong. 1674-1676 (1816).

<sup>13</sup> *Ibid.*, 1683.

Dallas argued that it was the second class that merited specific attention when crafting a new American trade policy. The first class didn't need protection, as it already competed on sound footing in international markets. The third class produced goods that, due to natural resources or comparative advantages, the United States would always rely on foreign sources to provide. Items in the second class were, by definition, capable of eventually "graduating" to the first class category. All that was required was tariff protection for a time. The Dallas Report's underlying premise was that second class membership was temporary, limited only to enough time for a particular industry to mature to first class status, when protection wasn't necessary any more.

The Dallas Report's key principles were an important update to the Hamiltonian vision. Its key contribution was to clearly articulate pragmatic guidelines to establish and manage trade policy now that the United States was experiencing the Industrial Revolution. Hamilton's *Report* was theoretical; the Dallas Report was far more specific in outlining exactly how policy should be established. Like Hamilton, Dallas emphasized that imports of raw materials should be encouraged. He also made it clear that start up American manufacturers required active governmental assistance. In light of the domestic and international circumstances in 1816, the Dallas Report received a favorable reception from most Republicans.

In early 1816, the House considered various proposals to strengthen the nation's economy. South Carolina's Representative John Calhoun summed these discussions, noting that "the broad question was now before the House, whether this government should act on an enlarged policy; whether it would avail itself of the experience of the last war; whether it would be benefitted by the mass of knowledge acquired within the last few years."<sup>14</sup> In February, the House Committee of Commerce and Manufactures presented a report describing the state of cotton manufactures. The document described the sector's significant growth from an output of only 500 bales in 1800

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<sup>14</sup> Ibid., 729.

to 90,000 bales in 1815, and its employment of 100,000 workers. The invested capital (\$40 million) in cotton manufactures, though far less than the value of the American merchant fleet ten years before, still represented a significant national economic investment, and was more than the annual federal budget at the height of the war.<sup>15</sup>

The Committee report stated that cotton manufactures was vital to national interests, and its presence benefitted all sectors of the economy. It stated that “This natural order of things exhibits the commencement of a new epoch, which promises peace, security, and repose by a firm and steady reliance on the produce of agriculture; on the treasures that are embosomed in the earth; on the genius and ingenuity of our manufacturers and mechanics; and on the intelligence and enterprise of our merchants.”<sup>16</sup> Agriculture would benefit from feeding increased numbers of laborers. The report requested that “liberal encouragement ... be afforded by agriculturalists to those who, by their labor, keep up a constant and increasing demand for the produce of agriculture ... in the encouragement of manufactures, they find a stimulus for agriculture.”<sup>17</sup> The underlying message was that, through the guiding hand of government, protective tariff policy would produce symbiotic benefits to all portions of the national economy.

Agricultural interests claimed that Dallas Report principles applied to them as well. A good example is found in a memorial from Louisiana sugar planters, presented to the House in January 1815. The memorialists reasoned that “It is true, in a propitious season this culture affords greater profit than any other, but numerous and dreadful are the accidents that often blast the hopes of planter. The climate is subject to hurricanes, the ravages of which not only destroys the crop in the ground, and often the expectation of the one ensuing it, but levels to the ground the buildings which had been erected at such an immense cost ... with such serious evils to deal

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<sup>15</sup> *Ibid.*, 961; Carter, et al., eds., *Historical Statistics*, 5:80.

<sup>16</sup> 29 *Annals of Cong.* 963 (1816).

<sup>17</sup> *Ibid.*, 962, 964.

with, it cannot be expected that the planter of Louisiana can, without some encouragement from the Government, stand in competition with those who rear the plant in its congenial environment.”<sup>18</sup>

The Committee of Commerce and Manufactures, using the Dallas Report to justify their conclusions, recommended temporary protection to the cotton manufacturing industry. They pointed out that the American manufacturing establishments were “new and in their infancy, and that they have to encounter a competition with foreign establishments that have arrived at maturity, that are supported by a large capital, and that have from the Government every protection that can be required.” Committee members warned that “the foreign manufacturers and merchants will put in requisition all the powers of ingenuity; will practice whatever art can devise, and capital accomplish, to prevent the American manufacturing establishments from taking root and flourishing in their rich and native soil ... a reasonable encouragement will sustain and keep them erect; but if they fail, they fall to never arise again.”<sup>19</sup>

The report’s logic rested on an “infant industry” argument, arguing that new American industries could not economically compete with European rivals who enjoyed protection from their respective national governments and enjoyed significant economies of scale in production and cost. Importantly, the report asserted that American manufacturers only needed temporary protection. It stated that “should the National Government, pursuing an enlightened and liberal policy, sustain and foster the manufacturing establishments, a *few years* [emphasis added] would place them in a condition to bid defiance to foreign competition, and would enable them to increase the industry, wealth, and prosperity of the nation.”<sup>20</sup>

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<sup>18</sup> Ibid., 1657.

<sup>19</sup> Ibid., 964.

<sup>20</sup> Ibid., 965.



John Randolph, back in the House after a one term hiatus during the War, was not impressed, and attacked the nature and impact of protection. He described the Committee's proposal as "a system of bounties to manufacturers, in order to encourage them to do that which, if it be advantageous to do it at all, they will do, of course, for their own sake; a largesse to men to exercise their own customary callings, for their own emolument." Randolph suggested that consumers and farmers ought to be considered just as much as the manufacturer, reasoning that "I will buy where I can get manufactures cheapest; I will not agree to lay a duty on cultivators of the soil to encourage exotic manufactures." He offered an alternative policy, composed of "none but an ad valorem duty on all articles, which would prevent the possibility of one interest in the country being sacrificed, by the manner of taxation, for another."<sup>21</sup>

The maverick Randolph received support from influential allies, providing credibility to his stance. They included Thomas Ritchie, editor of the *Richmond Enquirer*, and Spencer Roane, Patrick Henry's son-in-law and state judge, who were acknowledged leaders of the "Richmond Junto." This informal group had long been the operating arm of Virginia Republicans. The Junto defection, with a cadre of young Virginian politicians such as Philip Barbour, John Tyler, Wilson Cary Nicholas, and John Floyd lent prestige to tariff detractors.<sup>22</sup>

In 1816, the tariff discussion centered on those industries that Tench Coxe had identified a few years before. Cotton and wool manufactures, representing over 30% of American manufacturing capacity six years before, headed the list.<sup>23</sup> By 1815, the Boston Manufacturing Company introduced power looms, the most advanced industrial machinery of the time, at their

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<sup>21</sup> Ibid., 686-687.

<sup>22</sup> Thomas P. Abernathy, *The South in the New Nation, 1789-1819* (Baton Rouge, Louisiana: Louisiana State University Press, 1961), 434-435.

<sup>23</sup> Coxe, *Statement of the Arts and Manufactures*, 37.

factory in Waltham Massachusetts.<sup>24</sup> The breach of its technological monopoly forced Britain to adopt new strategies to maintain its manufacturing dominance. Superior British economies of scale in cloth producing industries produced lower cost finished products than American competitors, the very point that Brougham made in Parliament.<sup>25</sup>

### **The Tariff of 1816**

The House of Representatives commenced consideration of a new tariff bill on March 20, 1816. One of the bill's key characteristics was the temporary nature of certain proposed duties. For instance, a 25% ad valorem rate on imported woolen and cotton manufactures would last for only three years, after which the rate would be reduced to 20%.<sup>26</sup> The design implied that only a few years of enhanced protection was needed for American manufacturers to compete.

Economic nationalists stressed that American manufacturers could not survive without protection, and their potential demise would greatly harm the United States. Representative Henry Clay of Kentucky declared that "now is the time for encouragement ... the domestic manufacturer has to struggle more at the end of a war, and at that moment the greater aid is necessary to support him against foreign competition."<sup>27</sup> The Kentuckian placed forth two motions to increase the new duty on cotton manufactures to 33.3% and 30%, respectively. The first motion lost, but the second carried by a narrow majority of 68 to 61.<sup>28</sup> Samuel Smith of Maryland proposed greater protection for iron and sugar manufacturers, with an increase on imported iron from a specific duty of \$1.50 to \$2.50 per hundred weight, and on various sugars from between 10 and 12 cents to between 12 and 15 cents per pound.<sup>29</sup> Thomas Robertson of

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<sup>24</sup> George Rogers Taylor, *The Transportation Revolution: 1815-1860* (Armonk, New York: M. E. Sharpe, Inc., 1951), 224.

<sup>25</sup> Bishop, *History of American Manufactures*, 2:212.

<sup>26</sup> Northrup and Turney, eds. *Encyclopedia of Tariffs and Trade*, 3:19.

<sup>27</sup> 29 Annals of Cong. 1270 (1816).

<sup>28</sup> *Ibid.*, 1237-1238, 1247.

<sup>29</sup> *Ibid.*, 1258.

Louisiana, claimed that his state's sugar planting interests were "competent to furnish the United States with all the sugar they may require; but that this may be done with certainty and within a short time, some encouragement is indispensable." Only Smith's proposals carried.<sup>30</sup>

While the original draft called for enhanced short-term encouragement, some legislators favored permanent levels of protection. Erastus Root of New York "was opposed to the graduation, by which the manufacturing establishments would be sustained for two years, and then left to their fate." Artemas Ward of Massachusetts declared that "he was in favor of encouraging manufactures; and his object was to give a substantial and permanent support to them, and not a bounty for a short time."<sup>31</sup>

Root and Ward, however, represented a minority view among the protectionists. Daniel Webster of New Hampshire explained that "he was not prepared to say that Government was bound to adopt a permanent protection." Timothy Pitkin of Connecticut wished "not to give a monopoly to those now in existence, but to enable others to embark in the business of manufacturing." Clay believed that "three years would be sufficient to place our manufacturers on this desirable footing."<sup>32</sup>

In the midst of serious business, legislators found room for humor. Louisiana's Robertson motioned to remove the duties on certain wines so that they would become more available and affordable for his constituents. He noted that "claret was not a luxury alone in some parts of the country; but, from the nature of the climate, an absolute necessary to the health of the people" of Louisiana. Benjamin Hardin of Kentucky, sensing an opportunity to promote a domestic alternative, reminded Robertson that "if the Louisianians could not obtain wine, they could obtain an abundant supply of whiskey from Kentucky in lieu of it." Robertson, not to be

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<sup>30</sup> Ibid., 1259, 1268.

<sup>31</sup> Ibid., 1270-1271.

<sup>32</sup> Ibid., 1271-1272.

outdone, responded that claret “was not only necessary to the health, but to the morals of the people. They [Louisianians] were a sober people ... it was to save them from the whiskey offered by the gentleman from Kentucky that he wished to reduce the duty on claret.” Henry Clay ruefully observed that he “was sorry to hear his friend from Louisiana had declared war against the whiskey of the West; and regretted, if such was the fact, that the taste of the people of Louisiana was so bad as to prefer bad claret to good whiskey.”<sup>33</sup> Clay, even at an early stage of his career, proved persuasive; Robertson’s amendment was rejected.

A proposal was made in the latter stages of the debate to protect raw materials when Hardin of Kentucky motioned to increase ad valorem rates on imported cotton to 25% for two years, and 20% thereafter. The motion carried by a vote of 84 to 60.<sup>34</sup> This proposal curiously targeted a raw material commodity where the United States possessed a comparative production advantage, inconsistent with the tenets expressed in the Dallas Report.

John Calhoun delivered a powerful speech on April 4 that summarized the nationalist position for a protective tariff. He argued that the bill provided improved national security. Calhoun described the effect of the recent war, “our commerce annihilated ... our agriculture cut off from its accustomed markets ... all manufactured articles, the necessaries as well as the conveniences of life, rise to an extravagant price.” The South Carolina senator concluded that for the United States to become economically self-sufficient, American manufactures must be encouraged. Calhoun concluded that “neither agriculture, manufactures, nor commerce, taken separately, is the cause of wealth; it flows from the three combined, and cannot exist without each ... without commerce, industry would have no stimulus; without manufactures, it would be without the means of production; and without agriculture, neither of the others can exist ... When our

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<sup>33</sup> Ibid., 1284.

<sup>34</sup> Ibid., 1314-1315.

manufactures are grown to a certain perfection, as they soon will under the fostering care of Government, we will no longer experience these evils.”<sup>35</sup>

Some Southern states were expressing interest in manufactures. In 1812, Calhoun’s native South Carolina subsidized the founding of a cotton factory in Greenville.<sup>36</sup> Southerners also recognized a need to repay the enlarged national debt through increased revenues and to preserve and support American manufacturing, which would be essential in the event of renewed hostilities with Great Britain.<sup>37</sup> Historian Joseph Persky notes that in 1816 “young Southerners looked forward to building a diversified economy. Their plan included both manufactures and commerce, to free the nation as a whole and the South in particular from British neocolonialism.”<sup>38</sup>

On April 8, the House passed the Tariff of 1816 by a comfortable margin of 88 ayes to 54 nays.<sup>39</sup> Atlantic states, possessing the nation’s greatest manufactures output in 1810, overwhelmingly supported the bill.<sup>40</sup> The West and New England also strongly favored the legislation. Support was weakest in the Chesapeake and Southern regions.

The Chesapeake and Southern votes against the bill are best understood at a state level. Chesapeake votes were heavily influenced by John Randolph and his fellow Quids. Virginia’s House delegation rejected the bill by a 13 to 7 vote and Maryland by a 5 to 2 count. In both states, tariff support emanated from areas where industry was most likely to flourish. In

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<sup>35</sup> Ibid., 1331.

<sup>36</sup> John L. Congor, “South Carolina and the Early Tariffs,” *The Mississippi Valley Historical Review* Volume 5, No. 4 (March, 1919): 418.

<sup>37</sup> Norris W. Preyer, “Southern Support of the Tariff of 1816 – A Reappraisal,” *The Journal of Southern History* Volume 25, No. 3 (August, 1959): 311.

<sup>38</sup> Joseph J. Persky, *The Burden of Dependency: Colonial Themes in Southern Economic Thought* (Baltimore, Maryland: The Johns Hopkins University Press, 1992), 50.

<sup>39</sup> 29 Annals of Cong. 1352 (1816).

<sup>40</sup> Coxe. *Statement of the Arts and Manufactures*, 38. Coxe’s report estimated that 39% of the nation’s manufacturing output in 1810 was produced by the Atlantic states, the most of any region. The New England states, the next largest region, produced 28% of the gross output. Note in Table 4.6 that New England’s manufacturing output was higher on a per capita basis.

Virginia, it came from the congressional districts centered near the James and York rivers, extending westward towards Culpepper and Charlottesville, and then reaching the Shenandoah Valley and extending from Harpers Ferry southward to Lexington. These districts would develop into the state's most industrialized areas over the next four decades. The Maryland aye votes came from the 5<sup>th</sup> and 6<sup>th</sup> districts, which included Baltimore and the northern end of the Chesapeake Bay at the mouth of the Susquehanna River.

Southern states provided a more varied voting pattern. South Carolina, with Calhoun leading the way, voted in favor of the bill by a vote of 4 to 3. Georgia split its six votes equally North Carolina's outcome was decidedly different, as Nathaniel Macon Macon and a cadre of Old Republicans unanimously rejected the bill with their eleven votes.

The tariff bill was introduced to the Senate on April 12 and it passed it on April 19 by a vote of 25 to 7. The bill was popular in the New England and Atlantic states. Western states, including Kentucky, Tennessee and Louisiana, enthusiastically supported the legislation. Only the Chesapeake and Southern regions resisted the tariff bill, as three senators supported and five opposed the bill. Table 4.2 summarizes the House and Senate votes by region:

**Table 4.2.** Ratification Vote of the Tariff of 1816 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, NH, RI, VT)	17	10	6	2
Atlantic	(DE, NJ, NY, PA)	42	5	8	0
Chesapeake	(MD, VA)	9	18	1	3
South	(GA, NC, SC)	7	17	2	2
West	(KY, LA, OH, TN)	<u>13</u>	<u>4</u>	<u>8</u>	<u>0</u>
Totals		88	54	25	7

Source: 29 Annals of Cong. 331, 1352 (1816).

Table 4.3 summarizes the roll call for the Tariff of 1816 by party affiliation. The data suggests that party discipline was far weaker than it had been during the Jeffersonian Experiment. Federalists split on the issue in both the House and Senate, indicating that there was

no clear party position on the issue. This lack of consensus on trade policy was one of the many symptoms that the Federalists were disintegrating.

Republicans, in contrast, strongly supported the Tariff. However, their party vote revealed fractures, primarily involving the Quids. In Virginia and North Carolina 18 of the 25 party members voted against the tariff. Republicans in the other sixteen states emphatically supported the measure by an overall vote of 57 to 14.

**Table 4.3.** Ratification Vote of the Tariff of 1816 by Party Affiliation

Party	House Ayes	House Nays	Senate Ayes	Senate Nays
Republican	64	32	18	2
Federalist	<u>24</u>	<u>22</u>	<u>7</u>	<u>5</u>
Totals	88	54	25	7

Source: 29 Annals of Cong. 331, 1352 (1816).

The voting patterns associated with the Tariff of 1816 differ from the straight political-party pattern characterizing the 1790s and, to a greater degree, the Jeffersonian Experiment. Both parties, and especially the Federalists, were less cohesive. The changed patterns coincided with the beginnings of the breakdown of the First Party System.

By 1816, the Federalists were disintegrating as a national political force. They had been savaged by fallout from the Hartford Convention. In the 1816 elections, their House delegation was reduced from 64 to 39 members. By 1818, Federalists held only 14% and 20% of the House and Senate seats, respectively. Six years later, the party was gone from Congress.<sup>41</sup>

The Federalist internal division in 1816 is better understood in terms of geography. The party's political base was heavily skewed towards New England, home to over half of the party's House members. Seventeen House members hailed from the Atlantic and Chesapeake regions, representing just 23% of those region's votes. Federalism was virtually extinct in the South and

<sup>41</sup> Carter, et al., eds., *Historical Statistics of the United States*, 5:200.

West, where the party held just three seats. New England Federalists favored the tariff by a House vote of 16 to 10 and a Senate vote of 4 to 2. Atlantic Federalists also favored the bill, voting 8 to 1 in the House and 3 to 0 in the Senate.

Federalist vote patterns were far different south of the Mason-Dixon Line. All 8 House and 3 Senate member from the Chesapeake opposed the legislation, joined by 2 compatriots from North Carolina and 1 from South Carolina, Benjamin Huger. Northern Federalists embraced the Hamiltonian legacy of economic nationalism while the few remaining Southern members, frequently representing economically remote districts, did not.<sup>42</sup>

The Federalist voting patterns contradict some accepted notions of Federalist attitudes after the War. Shaw Livermore suggested that by 1816, “one issue, in particular, evoked Federalist misgivings. That was tariff protection for manufacturers.” He added that “although Alexander Hamilton had strongly supported such a policy, the Federalist party as a whole was still too deeply committed to commercial interests to take up the cause.”<sup>43</sup> Table 4.4 shows that Federalists, particularly those from the North, had not totally abandoned nationalism or manufacturing interests as of 1816.

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<sup>42</sup> 29 Annals of Cong. 1352 (1816); Stanley B. Parsons, William W. Beach, and Dan Hermann, *United States Congressional Districts, 1788-1841* (Westport, Connecticut: Greenwood Press, 1978), 158-159, 178-181, 194-196, 202-207. The southern Federalist districts were generally located in geographic pockets as follows: The Maryland districts (MD-1, MD-2, MD-4 and MD-8) were generally located in southern Maryland along the Potomac River; The Virginia districts (VA-2, VA-5, VA-6 and VA-8) were located in, or west of, the Shenandoah Valley as well as along the Potomac River; NC-4, NC-7 and SC-2 were all located near the North Carolina and South Carolina border. These districts tended to be among the most rural of all Southern districts, a paradoxical development for the party that Washington and Hamilton had built.

<sup>43</sup> Shaw Livermore, Jr., *The Twilight of Federalism: The Disintegration of the Federalist Party, 1815-1830* (Princeton, New Jersey: Princeton University Press, 1962), 16-17.



**Table 4.4.** A Breakdown of Federalist Votes on the Tariff of 1816

Region	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	16	10	4	2
Atlantic	<u>8</u>	<u>1</u>	<u>3</u>	<u>0</u>
Total Northern	24	11	7	2
Chesapeake	0	8	0	3
South	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>
Total Southern	0	11	0	3
Grand Totals	24	22	7	5

Source: 29 Annals of Cong. 331, 1352 (1816).

Republicans didn't share the geographic splits characterizing the Federalists. The party generally favored the tariff, and their leading proponent was John Calhoun from South Carolina. However, a substantial minority bloc of Quids from Virginia and North Carolina opposed the measure. These two states accounted for 56% of the Republican House votes and both Republican Senate votes opposing the bill. The votes reflect greater division within Republican ranks than during the Jefferson and Madison presidencies.<sup>44</sup>

The Republican split was grounded in ideological differences more than geography. Jefferson and Madison, the intellectual fathers of the Republican Party, founded their political organization on principles that included free trade. During their respective administrations, both men shifted away from free trade and began to slowly embrace economic nationalism. However, they failed to persuade all of their fellow Republicans to do the same.

Republican adherence to the party's original trade policy principles remained strongest in Jefferson's and Madison's own political backyard. As the two presidents gradually shifted their personal positions on trade, taking most of the party with them, John Randolph of Virginia and Nathaniel Macon of North Carolina argued that "Old Republican" principles, including free

<sup>44</sup> 29 Annals of Cong. 331, 1352 (1816); [www.senate.gov](http://www.senate.gov).

trade, retained a legitimate place in the trade policy debate. Both of these dissenters had argued the same position during the trade debates of 1806-1809.

Randolph, at forty-three, was in his political prime in 1816, and while he never wrested control of the Virginia Republican party from Jefferson or Madison, neither could they quash him. A biographer, Russell Kirk, described his personal politics as a “quixotic opposition to the great political and economic powers of the day ... proud, acutely sensitive, and animated by a darting passion, he was a natural champion of perilous causes.”<sup>45</sup> Randolph clashed with Jefferson and Madison on the Yazoo land claim affair in 1805, the War of 1812, and most importantly, the restrictive trade policies of the Jeffersonian Experiment. His Quid faction was concentrated in the states of Virginia and North Carolina.<sup>46</sup>

Randolph’s biggest ally was his good friend, Nathaniel Macon. Macon was fifty-eight years old in 1816, and in the midst of a long political career, where he was first elected to the House 1791, and served three terms as its Speaker. In December 1815, he resigned to enter the Senate, where he would serve another thirteen years.<sup>47</sup> Randolph and Macon were close personal friends, and Macon served as executor of Randolph’s estate after the Virginian’s death in 1833.<sup>48</sup>

The Randolph – Macon alliance placed ideology ahead of party loyalty in regards to trade policy. Quids cast the bulk of minority Republican votes against the Tariff of 1816. Table 4.5 summarizes the Republican votes:

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<sup>45</sup> Russell Kirk, *John Randolph of Roanoke* (Indianapolis, Indiana: Liberty Fund, 1997), 15, 17.

<sup>46</sup> *Ibid.*, 20-21.

<sup>47</sup> *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=M000034> .

<sup>48</sup> Edwin Mood Wilson and Kemp P. Battle, *The Congressional Career of Nathaniel Macon* (Whitefish, Montana: Kessinger Publishing Company, 2008), 115.

**Table 4.5.** A Breakdown of Republican Votes on the Tariff of 1816

Region	House Ayes	House Nays	Senate Ayes	Senate Nays
Virginia	7	9	1	0
North Carolina	<u>0</u>	<u>9</u>	<u>0</u>	<u>2</u>
Subtotal	7	18	1	2
Remaining states	<u>57</u>	<u>14</u>	<u>17</u>	<u>0</u>
Grand Totals	64	32	18	2

Source: 29 Annals of Cong. 331, 1352 (1816).

The Congressional votes on the Tariff 1816 reflect widely varying correlations between pro-tariff votes and industrialization on a regional basis. Table 4.6 shows that the New England, Atlantic, and Western regions favored the tariff despite very different levels of industrialization per capita. If the ideologically based Quid votes are removed from the Chesapeake and Southern regions, those regions also reflect high approval percentages.<sup>49</sup>

**Table 4.6.** Analysis of Voting on the Tariff of 1816 to American Manufacturing in 1810

Region	House Vote	Senate Vote	Manufacturing Assets Per Capita
New England (CT, MA, NH, RI, VT)	63%	75%	\$32.71
Atlantic (DE, NJ, NY, PA)	89%	100%	\$32.50
Chesapeake (MD, VA)	33%	25%	\$20.53
West (KY, LA, OH, TN)	76%	100%	\$14.10
South (GA, NC, SC)	<u>29%</u>	<u>50%</u>	<u>\$11.40</u>
Totals	62%	78%	\$24.22

Source: Coxe, *Statement of the Arts and Manufactures*, 38; 29 Annals of Cong. 331, 1352 (1816).

Tench Coxe identified the cotton and wool textile manufacturing industries, and iron production, as leading American manufacturing sectors in 1810.<sup>50</sup> The tariff increases in 1816 show that American lawmakers concluded that these “infant” industries required protection. The final version of the bill taxed finished cotton and wool imports at 25% for a three year period, to

<sup>49</sup> A removal of the Quid Republican votes result in the Chesapeake and Southern House approval percentages rising to 50% and 47%, respectively.

<sup>50</sup> Coxe, *Statement of the Arts and Manufactures*, xxviii-xxxiii..

be reduced to 20% thereafter. Duties on raw cotton were established at three cents per pound, and on bar iron they were set at forty-five cents per hundred weight.<sup>51</sup> Overall tariff rates, however, did not increase significantly. Over the next four years, duties averaged 31.4%. By comparison, the average rates during the previous three presidencies from Adams through Madison had averaged 32.4%, 32.1%, and 30.2%, respectively.<sup>52</sup> The Tariff of 1816 undoubtedly contained protectionist aims, but it nonetheless moved cautiously in that direction.

### **Conclusions**

Thomas Jefferson admitted that his views on trade shifted over time. In a letter to his friend Benjamin Austin in early 1816, Jefferson confided that “You tell me I am quoted by those who wish to continue our dependence on England for manufactures. There was a time when I might have been so quoted with more candor, but within the thirty years which have since elapsed, how are circumstances changed!” The Republican elder statesman explained, “Compare this [present] state of things with that of ’85, and say whether an opinion founded in the circumstances of that day can be fairly applied to those of the present.” Jefferson now saw an urgent need for a more nationalist trade policy position, noting that “there exists both profligacy and power enough to exclude us from the field of interchange with other nations: that to be independent for the comforts of life we must fabricate them ourselves. We must now place the manufacturer by the side of the agriculturalist ... experience has taught me that manufactures are now as necessary to independence as to our comfort.”<sup>53</sup>

Many prominent American politicians of the time believed that encouragement of manufactures benefitted all sectors of the economy. Madison endorsed locating “particular

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<sup>51</sup> Northrup and Turney, eds. *Encyclopedia of Tariffs and Trade*, 3:18-22.

<sup>52</sup> Carter, et al., eds., *Historical Statistics of the United States*, 5:510.

<sup>53</sup> Jefferson, *Writings*, 1370-1371.

manufactures where the materials for them are extensively drawn from our agriculture.”<sup>54</sup> Calhoun stated that the new tariff was “calculated to bind together more closely our widely-spread Republic. It will greatly increase our mutual dependence and intercourse; and will, as a necessary consequence, excite an increased attention to internal improvement.”<sup>55</sup>

Other national politicians disagreed, concerned over dispensing economic privilege in a republican society. Benjamin Huger of South Carolina declared against protection because “the consequences ... would be to tax the community to give a monopoly to a few manufacturers.”<sup>56</sup> Thomas Telfair of Georgia concurred, noting that “if the encouragement of manufactures be the object, it is, in effect, to plunge on the wide ocean of uncertainty, guided by factitious lights, emanating from the selfishness alone of those who tender them, and which can never be relied upon for the purposes of wise legislation.” Telfair complained that manufacturing interests sought “to diminish competition, while they extended the sphere of their own market. Hence, every suggestion flowing from this class of the community ... should be examined with scrupulousness and even suspicion ... their interest once identified with that of the Government ... I do fear them.”<sup>57</sup>

The economic nationalists achieved a significant victory in 1816, because the resulting tariff represented the initial application of Alexander Hamilton’s ideas from the *Report on Manufactures*. For the first time, trade policy incorporated active government encouragement of national industrialization. The United States sought large degrees of economic power and self-sufficiency to strengthen the American Republic’s future prospects.

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<sup>54</sup> Madison, *Writings*, 716.

<sup>55</sup> 29 Annals of Cong. 1335 (1816).

<sup>56</sup> *Ibid.*, 1274.

<sup>57</sup> *Ibid.*, 1316, 1318, 1320.

Alexander Hamilton would have been puzzled by the political coalition that passed the tariff. Trade tensions leading to the War of 1812 and the war itself caused a seismic shift in trade policy views. His old political antagonists, Thomas Jefferson and James Madison, led the effort towards economic nationalism. These former free traders, influenced by their personal experiences as chief executive, led the Republican Party, with scattered support from Northern Federalists, in passing the legislation. They were vigorously assisted by young House members such as Henry Clay and John Calhoun.

The passage of the Tariff of 1816 seemingly ushered in a new era of American trade policy. A national-based coalition, largely shaped by reaction to the disappointments from the War of 1812 and the Jeffersonian Experiment, referred to the Dallas Report and its principles in shaping the new legislation. The Old Republicans, who vociferously protested the more active role for the federal government, were a small and ineffectual minority. The Dallas Report was the glue that bound the majority consensus together. It would not hold for long.

## CHAPTER 5 – ECONOMIC NATIONALISM CONSIDERED: THE BIRTH OF AMERICAN INDUSTRIALIZATION, 1817 TO 1820

*“in bottoming this bill on this national principle, that we ought to feed, clothe, and be able to defend ourselves, we placed it on ground that could not be easily shaken. Our motives rise higher than the interest of manufacturers; whether they make or lose money now; whether it tends to enrich one or the other, or all classes of society, has scarcely entered into our consideration ... the three great interests of the country are to be restored only by your interference; they call on you in sepulchral tones, equally to warn you of past errors and imploring for future aid ... I repeat it, that the profits of manufactures had not been our leading motive, but the public national interest; this nation must command its own consumption and the means of defence.”<sup>1</sup>*

- Representative Henry Baldwin of Pennsylvania (March 22, 1820 remarks to the House)

*“the specious, but delusory maxim of “restoring the freedom of trade” ... is nothing more nor less than impoverishing a nation, and sacrificing its domestic industry at the shrine of avarice, in order to purchase goods “cheaper than they can be made at home.”<sup>2</sup>*

- Mathew Carey (“Addresses of the Philadelphia Society” - 1820)

*“the number that calls for this sacrifice of commerce is comparatively small; they are but the dust in the balance. And what do they require of us? It is, that we should consent to pay from one-fifth to one-third more for many of the great necessities of life than we otherwise should ... do not our people understand that this is to render one portion, and a thousand times the largest portion of our people, tributary to the other? ... it is certainly not for the interest of this nation to make any one class of men a privileged order, and allow them to live by extracting assistance from the hard earnings of others.”<sup>3</sup>*

- Representative Ezekiel Whitman of Massachusetts (April 25, 1820 remarks to the House)

*“All reflecting individuals, except those bribed by self-interest, believe that liberty can only be achieved by a frugal government, and by excluding frauds for transferring property from one man to another.”<sup>4</sup>*

- John Taylor of Caroline (“Tyranny Unmasked” - 1821)

James Monroe was elected president of the United States in the fall of 1816 by an overwhelming Electoral College majority, defeating Federalist Rufus King by a vote of 183 to 34.<sup>5</sup> Contemporaries dubbed the following eight years as the “The Era of Good Feelings.”<sup>6</sup>

<sup>1</sup> 36 Annals of Cong. 1923, 1943 (1820).

<sup>2</sup> Mathew Carey, *Addresses of the Philadelphia Society for the Promotion of National Industry*, 5<sup>th</sup> ed. (Philadelphia, Pennsylvania: James Maxwell, 1820), 30.

<sup>3</sup> 36 Annals of Cong. 2000-2001 (1820).

<sup>4</sup> John Taylor, *Tyranny Unmasked* (Indianapolis, Indiana: Liberty Fund, 1992), 226.

<sup>5</sup> Preimesberger, ed., *Presidential Elections*, 30.

When Monroe took the oath of office on March 4, 1817, a poignant symbol of post-war national unity took place when the new Republican president swore the oath of office in the presence of Federalist Chief Justice John Marshall. The sunny skies and fifty degree weather starkly contrasted with times past when the two men bunked together while serving in the Continental Army during the frightful winter of 1778 at Valley Forge.<sup>7</sup>

At first glance, the image of a unified American body politic in 1817 might seem appropriate. Monroe's Republicans increased their control of the House of Representatives from 117 to 141 seats (64% to 77%) and the Senate from 25 to 34 seats (69% to 77%) in the 1816 elections. Republican majorities further increased during Monroe's presidency, and by the Eighteenth Congress (1823-1825) the party occupied 88% of the House and 92% of the Senate seats.<sup>8</sup> The president was re-elected in 1820 by an overwhelming Electoral vote of 231 to 1.<sup>9</sup>

However, the development of trade policy during the Monroe administration would prove to be the antithesis of good feelings. The consensus understanding achieved through the Dallas Report and its principles was shattered during the debates associated with the Tariff of 1820. The tariff was voted down, but nationalists overreached in their desire to promote American economic independence, and in the process destroyed the goodwill that had been constructed in 1816.

In addition, beneath the superficial bliss symbolized by the inauguration, two divisive issues acted as political tectonic plates below the surface. The first concerned territorial expansion and

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<sup>6</sup> *Columbian Centinel*, Boston, Massachusetts, 12 July 1817; This contemporary description also served as the title of historian George Dangerfield's 1952 book title which covered the United States during the Monroe administration years. His book won a Pulitzer Prize that year.

<sup>7</sup> National Weather Forecast Office, [http://www.erh.noaa.gov/lwx/Historic\\_Events/Inauguration/Inauguration.html](http://www.erh.noaa.gov/lwx/Historic_Events/Inauguration/Inauguration.html); Harlow Giles Unger, *The Last Founding Father: James Monroe and a Nation's Call to Greatness* (New York: Da Capo Press, 2009), 263.

<sup>8</sup> Carter, et al., eds., *Historical Statistics*, 5:200; note that the Republicans were also referred to as Democrat-Republicans during this period.

<sup>9</sup> Preimesberger, ed., *Presidential Elections*, 30.



slavery, which erupted in 1820 during Missouri's application for statehood, Thomas Jefferson's "fire bell in the night" that marked the "knell of the Union."<sup>10</sup> A second matter was caused by the confluence of the First American Industrial Revolution with American trade policy. In four short years, many leading nationalists determined that the Dallas Report and the Tariff of 1816 were inadequate, and they sought to modify American trade policy in response to a sharp increase in imports from Great Britain.

The First Industrial Revolution took firm root in the United States in the late 1810s and early 1820s, even though its' American origins traced back to the 1790s and to Britain in the 1750s. However, the nation's initial industrial takeoff was largely confined to the American Northeast. New England merchants, turned industrial entrepreneurs, created major factories at Waltham and Lowell. Their factories initially lagged their British competitors in scale, efficiency, and technology, and under Dallas doctrine were eligible for short-term protection until such time as they could become globally competitive.

Monroe endorsed the protective principle in his inaugural address. He declared that "our manufactures find a generous encouragement by the policy which patronizes domestic industry ... such, then, being the highly favored condition of our country, it is in the interest of every citizen to maintain it." The President argued that "Our manufacturers ... require the systematic and fostering care of government ... it is important, too, that the capital which nourishes our manufacturers should be domestic ... equally important is it to provide at home a market for our raw materials, as by extending the competition it will enhance the price and protect the cultivator against the casualties incident to foreign markets."<sup>11</sup>

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<sup>10</sup> Malone, *Jefferson and His Time: The Sage of Monticello*, 335.

<sup>11</sup> Hunt, ed., *Inaugural Addresses*, 50-52, 55-56.

Two significant variables influenced the course of trade policy between 1817 and 1820. The first could be foreseen, as the Tariff of 1816 contained a clear pledge that tariff rates for key infant industries would be reduced in 1819. The second was unexpected. Just as duties on finished cotton and woolen goods were scheduled for reduction, the Panic of 1819 occurred. This calamitous event was caused by sharp post-war monetary expansion followed by an abrupt contraction when British creditors called in loans and the balloon payment on the Louisiana Purchase debt became due. The Panic struck fear throughout the American manufacturing community, which desperately clamored for Federal Government assistance.

Trade policy became increasingly contentious, as the economic nationalists abrogated the pledges of the Tariff of 1816 and pressed for greater protection for American manufacturers. In 1818, they successfully passed a tariff bill providing incremental protection for the iron, cotton, and wool manufacturing industries. They conducted a far more ambitious effort in 1820 to substantially increase protection for an extensive list of goods. To date, tariffs had been primarily established to adequately fund the national government, alongside efforts to provide short-term protection to specified industries or trades. This approach was epitomized, and reached its apogee, in the form of the 1816 Dallas Report. By 1820, however, economic nationalists began insisting that permanent protective measures were a necessary prerequisite for building the industrialization that would ensure American economic strength.

The new nationalist arguments for long-term and potentially permanent protection radically changed the nature of the trade policy debate. Southern members of the 1816 tariff coalition were quite willing to endorse protection based upon the infant industry concepts contained within the Dallas Report. Long-term protection was another matter, particularly because New England and the Atlantic states were the largest and fastest growing manufacturing regions in the

nation. Increasingly, individuals who had supported the Tariff of 1816 based on Dallas Report principles found themselves shifting to an anti-protection position because of the new arguments for long-term protection. They increasingly found Old Republican ideas about less government involvement in the national economy appealing, as they concluded that the new nationalist arguments resulted in an arbitrary redistribution of wealth.

### **Industrialization and the Tariff of 1818**

Early American industrialists faced numerous challenges in establishing their long-term economic viability. Three separate elements factored into the transition from an almost exclusively agricultural economy to one that was beginning to demonstrate “modern” characteristics between 1789 and 1820. These included: (i) technology and machinery, allowing for increasingly efficient production of goods, (ii) a functioning banking system to make financial capital more readily available, and (iii) the expansion of American geographic boundaries which greatly increased the size of the American commercial marketplace.

The origins of the Industrial Revolution began in Great Britain around 1750, and its first phase lasted into the 1820s. Changes brought about by this shift in the modes of economic production originally centered on essential consumer goods that could be mass produced by labor-saving machinery. The first significant industrial application involved a basic necessity; people sought comfortable clothing at an affordable cost. Early English capitalist Richard Arkwright developed spinning and carding machines, and the water frame, between 1768 and 1775, sparking the mass production of cotton cloth.<sup>12</sup> Other key British inventions during the latter part of the eighteenth century included James Hargreaves’ spinning jenny (1765), James Watts’ steam engine (1775), and Edmund Cartwright’s power loom (1787), which collectively

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<sup>12</sup> Samuel Batchelder, *Introduction and Early Progress of the Cotton Manufacture in the United States* (Boston, Massachusetts: Little, Brown and Company, 1863), 4-5.

created the technological foundation for British industrialization. Eli Whitney's patent of the cotton gin (1794) in the United States served to greatly increase supplies of raw cotton necessary to feed the rapidly growing British industrial complex.

The Industrial Revolution dramatically changed the characteristics of how business entrepreneurs approached finance and profit seeking. Machines had the benefit of producing more goods at a faster rate than humans. However, their financial disadvantage was that they required an expensive financial outlay at the time of purchase. Thus, an entrepreneur could only expect to make maximize profits if he kept his factories and its machines as busy as possible, optimizing the efficient use of his factory's capacity.<sup>13</sup>

Industrialization in the United States developed slowly. The first operating cotton manufactory in the Unites States was established by the Cabot family in 1787, in Beverly Massachusetts, and George Washington visited the site in 1789, shortly before his election as president.<sup>14</sup> Unfortunately, the owners of the Beverly operation could not sell sufficient quantities of output to make mechanization economically viable, and they eventually "put out" production to households. The factory closed operations in the early 1790s.<sup>15</sup> The American industrialization process began in earnest during the Jeffersonian Experiment and War of 1812.

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<sup>13</sup> The machine was a "fixed cost," whose capital outlay is final at the time of purchase. Labor and materials are "variable costs," which will only occur if units are produced. A simple, hypothetical example can demonstrates the mechanics behind the principles. Suppose a good has a material cost of 50 cents per item. Labor costs \$2.00 per hour, and a manual process requires one hour of time. Assume that technology, in the form of a machine, is introduced costing \$50,000, with a useful lifetime of one year, and which can produce up to 80,000 units per year. The worker, with the help of this machine, can now produce a good in 12 minutes, meaning they can produce five items per hour with the help of the machine. The economic breakeven point in this scenario occurs at a production level of 31,250 units. The equation to calculate this is the fixed cost of the machine divided by the reduction in variable costs (in this case the labor savings achieved per unit, which is \$2.00 less \$.40, or \$1.60. Thus, the \$50,000 cost of the machine divided by \$1.60 of variable cost savings per unit, yields a calculated answer of 31,250 units. An entrepreneur purchasing the machine enjoys greater profits (and lower average costs per unit) compared to older methods once they produce more than 31,250 units. However, if they fall short of this production level, they will experience worse economic results than they would have by simply retaining old methods without new technology.

<sup>14</sup> *Ibid.*, 31-32.

<sup>15</sup> Caroline F. Ware, *The Early New England Cotton Manufacture: A Study in Industrial Beginnings* (Boston, Massachusetts: Houghton Mifflin Company, 1931), 20.

The Jeffersonian Experiment provided the impetus for entrepreneurs to establish factories. In 1810, 238 cotton manufactories operated in the United States, using water power to run their spindles, the same technology used twenty years before at Beverly.<sup>16</sup> The price for cotton cloth rose from a price of almost twenty cents per yard to approximately seventy-five cents per yard during the War of 1812.<sup>17</sup> In response to increased demand, American cotton manufactures produced 81 million yards of cotton cloth in 1815.<sup>18</sup> However, American manufacturers trailed their British counterparts in overall competitiveness due to the smaller scale of their factories and the trailing technologies they put into use.

By the time of the Monroe presidency, the American consumer market for textiles was significant, and the American manufactures industry only partially met overall demand. In 1820, with the Tariff of 1818 in place, American cotton textile manufacturers produced \$6.39 million of finished cloth. British cotton textile imports the same year amounted to \$7.59 million, meaning that even with protection, Britain was supplying 54% of the total goods demanded by this important market segment.<sup>19</sup>

American manufacturers operated in a less-capital intensive manner than their British counterparts. Their investments typically involved plant and equipment with shorter useful lives and lower inventories to minimize holding costs.<sup>20</sup> The lagging nature of American technology caused most American manufacturers to produce coarser, lower-grade brands of fabric. However, Americans eagerly implemented new technologies as they became available.<sup>21</sup>

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<sup>16</sup> Batchelder, *Early Progress of the Cotton Manufacture*, 56-57.

<sup>17</sup> *Ibid.*, 57.

<sup>18</sup> 29 *Annals of Cong.* 961 (1816).

<sup>19</sup> C. Nick Harley, "International Competitiveness of the Antebellum American Cotton Textile Industry," in *Industrialization in North America*, edited by Peter Temin (Cambridge, Massachusetts: The Economic History Society, 1994), 529.

<sup>20</sup> *Ibid.*, Alexander James Field, "Land Abundance, Interest/Profit Rates, and Nineteenth Century American and British Technology," 484-485.

<sup>21</sup> *Ibid.*, Harley, "International Competitiveness," 514.

Domestic infant industries faced genuine foreign competition for the first time during the Monroe administration. They had rapidly grown during the Jeffersonian Experiment and the war for the better part of a decade, where it became increasingly attractive for entrepreneurial producers to utilize technology to meet the demands of a growing home market. Increased demand for all sorts of products coincided with the rapid growth of the American population from 5.3 million in 1800 to 8.3 million in 1815.<sup>22</sup>

A new stage of cotton manufacturing technology was introduced in Great Britain during the first decade of the nineteenth century with the introduction of the power loom, which offered a significantly faster and more efficient way to weave cloth fabric. American entrepreneurs quickly replicated this technology, and in 1814 a syndicate of investors formed the Boston Manufacturing Company, headed by Francis Lowell and Nathan Appleton. They established a new factory in Waltham Massachusetts, utilizing power looms.<sup>23</sup>

The Waltham factory was an economic success from the start due to its “state of the art” technology and well operated facility. Annual sales increased steadily from its founding through the post-war period, in spite of renewed competition. The ensuing Panic of 1819 only caused sales to level out, and soon after they resumed their upward trend.<sup>24</sup>

Waltham’s success led its investors to form a newer and larger venture, involving an expanding circle of Boston area merchant investors. In 1821, the new group, named the Merrimack Company, began assembling land in what was to become the town of Lowell, Massachusetts. The Company capitalized the new venture with equity of \$276,000, far larger than the \$170,000 that had capitalized Waltham. The new company commenced operations the

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<sup>22</sup> Carter, et al., eds., *Historical Statistics of the United States*, 1:30.

<sup>23</sup> Batchelder, *Early Progress of the Cotton Manufacture*, 64-66.

<sup>24</sup> Ware, *Early New England Cotton Manufacture*, 70.

following year. Over the next twenty years, a series of related-party ventures established operations in Lowell, making it the premier antebellum industrial city in the United States.<sup>25</sup>

American trade policy was reconsidered just two years after the Tariff of 1816. The resulting bill, the Tariff of 1818, wasn't a single legislative act. Instead, two separate bills were passed, intended to amend very specific features of the Tariff of 1816.

The first bill was entitled "An Act to increase the duties on iron in bars and bolts, iron in pigs, castings, nails, and alum."<sup>26</sup> This initiative was designed to assist American iron manufacturers, who claimed that British competition was flooding the domestic marketplace. They argued that the Tariff of 1816 hadn't established adequate tariff to protect their "infant industry." The bill proposed raising tariff rates on a host of raw and finished iron products.

A second act, simultaneously considered, was entitled "An Act to continue, in force, from and after the thirtieth of June, one thousand eight hundred and nineteen, until the thirtieth of June, one thousand eight hundred and twenty-six, the fourth paragraph of the first section of the act, entitled "An act to regulate the duties on imports and tonnage."<sup>27</sup> Its purpose was to extend the initial protective period established by the Tariff of 1816, which featured higher ad valorem duties for cotton and woolen goods for a three year period, by an additional seven years. This initiative responded to pleas from cotton and wool manufactures, who insisted that the original time period was insufficient to allow their "infant" cotton and woolen industries to develop to the point where they could fairly competing with their British competitors.

These two initiatives involved the three domestic industries highlighted in Tench Coxe's 1810 report. The best evidence demonstrating increased competition from Britain is found in Timothy Pitkin's *A Statistical View of the Commerce of the United States of America*, published in 1817.

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<sup>25</sup> Ware, *Early New England Cotton Manufacture*, 80, 301-302.

<sup>26</sup> 32 Annals of Cong. 2582 (1818).

<sup>27</sup> *Ibid.*, 2584.

Pitkin was a sitting House member from Connecticut in 1816 and the *Statistical View* was a compendium of a wide variety of economic observations about the United States, dating from colonial times to the present.<sup>28</sup> The publication noted that in 1815, a year partially taken up by the end of the war, “the amount of goods imported, paying ad valorem duties (including woolens and cottons,) was about \$86,000,000, of which about \$71,000,000 was imported from Great Britain and dependencies.”<sup>29</sup> The bulk of these ad valorem duties derived from cloth imports, and the American import levels in 1815 were the highest since 1807.<sup>30</sup>

American commerce was also hard pressed during the immediate post-war period. Pitkin expressed disappointment with the economic impact of the peace on American shipping. He noted that the treaty “has operated to the increase of British navigation, compared to that of the United States, in a double ratio.”<sup>31</sup> The commercial sphere’s difficulties became an integral part of the 1818 debates, but the degree to which that sphere applied public pressure upon Congress paled in comparison to that from manufacturers.

Manufacturing advocates increasingly applied political pressure on Congress for more protection. For example, in January 1818 the Senate received a petition from “a number of inhabitants” of Oneida County, New York. The petitioners noted that over \$600,000 of capital had been invested into establishments manufacturing cotton and woolen products. Since the end of the war, they declared, three-quarters of these businesses had closed their doors, resulting in “some of the proprietors being wholly ruined, and others struggling under the greatest embarrassments.”<sup>32</sup>

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<sup>28</sup> *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=P000368>.

<sup>29</sup> Timothy Pitkin, *A Statistical View of the Commerce of the United States of America* (New York: James Eastburn & Co., 1817), 306.

<sup>30</sup> Carter, et al., eds., *Historical Statistics*, 5:498

<sup>31</sup> Pitkin, *Statistical View of Commerce*, 295-296.

<sup>32</sup> 31 *Annals of Cong.* 84 (1818).



Oneida County's citizens cast blame for their woes squarely upon Great Britain. They explained that "that nation assumes to manufacture for all nations, but will receive the manufactures of none. So tenacious, so jealous is she of the first dawns of manufactures elsewhere, that she binds even the hands of her own colonists." The signatories reasoned that "it is in vain for any man to shut his eyes against the active rivalry and persevering hostility of British manufactures."<sup>33</sup> They maintained that increased tariff rates solved the problem, and recommended making such "duties on imported woollens and cottons permanent," diverging from Dallas Report doctrine.<sup>34</sup>

Numerous petitions flooded the House as well. For example, on December 15, 1817, petitions were received calling for permanent duties on cotton and woolen products (from Rhode Island) and increased duties on certain iron products (from New Jersey).<sup>35</sup> More petitions were placed on the record on December 16, 18 and 22.<sup>36</sup> Some petitions even pleaded to grant monopolies to certain American manufacturers. Representative Richard Mentor Johnson of Kentucky introduced a resolution that "clothing the Army and Navy of the United States [be] exclusively in American manufactures."<sup>37</sup> The wide array of proposed goods, frequency of the petitions, and dispersed locales of origin all point to the formation of energetic economic special interest groups alongside early American industrialization.

The arguments presented in favor and against the 1818 bills were similar to those offered in 1816. South Carolinian Eldred Simkins reminded the House that trade restrictions from the Jeffersonian Experiment and the War of 1812 created a situation where "our supplies were most inadequate to our rising wants." He stated that "manufacturing establishments sprung to our

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<sup>33</sup> Ibid., 87.

<sup>34</sup> Ibid., 87, 89.

<sup>35</sup> Ibid., 446 (1817).

<sup>36</sup> Ibid., 462, 486, 494.

<sup>37</sup> Ibid., 495.

relief, in various parts of the continent, and we were supplied with cannon, arms, and other munitions of war, and our armies, to a considerable extent, were clothed from our own establishments.” He expressed concern about the post-war environment, recounting that “when the war ceased, it was the true policy of Great Britain, who had viewed our rising establishments with great pain and jealousy, to throw into our market such a quantity of goods, of every sort, at low prices, as to sink to destruction these establishments.”<sup>38</sup>

Representative James Smith, a twenty-eight year old North Carolina doctor, exemplified the opposing view that protection was the brainchild of economic interest groups who were simply trying to maximize their profits through governmental legislation.<sup>39</sup> He noted that “good iron cannot be imported, under the existing duty of nine dollars per ton, for less than one hundred and ten dollars per ton. I have also information before me that, in New Jersey, where the greatest complaint is, that a ton of bar iron can be made from their bloomeries, at eighty-five dollars per ton.” Smith insisted that “They had no pledge from this legislature, that duties should be laid and continued for their support; nor are we bound to sacrifice the great interests of this country to prop such fungus establishments. They like other speculators, expected to profit by the necessities of their neighbors.”<sup>40</sup>

Smith’s declarations aside, there was evidence that British iron goods were inundating the American market. The House received reports stating American iron consumption totaled approximately 45,000 tons per annum. Domestic manufacturers, to meet this demand, had produced 30,000 tons and 40,000 tons in 1810 and 1814, respectively. In 1817, domestic production dropped to only 15,000 tons due to foreign competition. In contrast, Britain produced

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<sup>38</sup> 32 Annals of Cong. 1731-1732 (1818); see also comments by Nathan Sanford (NY), 31 Annals of Cong. 56 (1817); see also comments by James Smith (NC) regarding the inferior quality of foreign imports being “dumped” into the United States, 32 Annals of Cong. 1726 (1818).

<sup>39</sup> *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=S000559>.

<sup>40</sup> 32 Annals of Cong. 1727 (1818).

200,000 tons of iron in 1816 alone.<sup>41</sup> This information, in the context of the Dallas “Second Class” infant industry standard, suggested that the tariff levels established in 1816 for iron were, in fact, insufficient to adequately protect the iron industry.

On April 15, the House voted on the bill to increase duties on iron. The measure comfortably passed by a vote of 88 to 47.<sup>42</sup> This final voting margin paralleled the 1816 tariff vote, which had passed 88 to 54.<sup>43</sup>

A roll call analysis by region in Table 5.1 highlights the similarities to the Tariff of 1816. New England and the Western states backed the proposal by comfortable margins.<sup>44</sup> Atlantic states, where most American iron manufacturers domiciled, overwhelmingly supported the measure. The greatest concentration of negative votes again centered in the Chesapeake and the South, where the Quid dominated Virginia and North Carolina delegations collectively opposed the measure by a vote of 16 to 5.

**Table 5.1.** Ratification Vote – The 1818 Iron Bill by Region

Region	States	House Ayes	House Nays
New England	(CT, MA, NH, RI, VT)	16	14
Atlantic	(DE, NJ, NY, PA)	47	0
Chesapeake	(MD, VA)	8	16
South	(GA, NC, SC)	6	8
West	(IN, KY, LA, MS, OH, TN)	<u>11</u>	<u>9</u>
Totals		88	47

Source: 32 Annals of Cong. 1740-1741 (1818).

Likewise, similar patterns to 1816 emerge by political party, shown in Table 5.2. Many Federalists abstained from the roll call, as only 24 of the 42 party members voted on the

<sup>41</sup> Ibid., 1734-1735.

<sup>42</sup> Ibid., 1740-1741.

<sup>43</sup> 29 Annals of Cong. 1352 (1816).

<sup>44</sup> It should be noted that in the Western states the measure was voted 7-0 by free states and 4-9 by slave states. See Appendix L.

measure. They again split their votes. Republicans, after carving out Virginia and North Carolina, overwhelmingly supported the measure by a wide margin of 70 ayes to only 19 nays.

**Table 5.2.** Ratification Vote – The 1818 Iron Bill by Party Affiliation

Party	House Ayes	House Nays
Republican	75	35
Federalist	<u>13</u>	<u>12</u>
Totals	88	47

Source: 32 Annals of Cong. 1740-1741 (1818).

Later that day, the House considered the second bill to extend the initial period of higher duties from the middle of 1819 to the middle of 1826. The measure passed by an overwhelming majority of 106 to 34, winning almost unanimous support in the New England and Atlantic states, alongside a solid Western majority.<sup>45</sup> Once again, the opposition was centered in the Republican delegations from Virginia and North Carolina, who voted 15 to 5 against the legislation. Other Southern delegations generally approved the measure, as Georgia supported the bill and Maryland and South Carolina featured split delegations. Table 5.3 summarizes the roll call by region:

**Table 5.3.** Ratification Vote – Extending Initial Cotton and Wool Protection Period from Three to Ten Years by Region

Region	States	House Ayes	House Nays
New England	(CT, MA, NH, RI, VT)	29	1
Atlantic	(DE, NJ, NY, PA)	49	1
Chesapeake	(MD, VA)	6	14
South	(GA, NC, SC)	9	13
West	(IN, KY, LA, MS, OH, TN)	<u>13</u>	<u>5</u>
Totals		106	34

Source: 32 Annals of Cong. 1742-1743 (1818).

An analysis by party affiliation shows that both Republicans and Federalists approved the measure by substantial margins. Although the pattern might appear to affirm the “Era of Good

<sup>45</sup> 32 Annals of Cong. 1743 (1818); note that in the Western states the measure was voted 6-1 by free states and 7-4 by slave states. See Appendix M.

Feelings,” a review confirms the same tensions within party that were present in 1816. For Republicans, it remained a matter of ideological differences. The bulk of the party members, sans the Quid dominated Virginia and North Carolina delegations, favored the bill by an 81 to 10 majority. Federalist votes divided geographically, just as two years before. Their vote was 20 to 2 in favor north of the Mason-Dixon Line, while Southern members voted 7 to 0 against. Table 5.4 summarizes the votes by party affiliation:

**Table 5.4.** Ratification Vote – Extending Initial Cotton and Wool Protection Period from Three to Ten Years by Party Affiliation

Party	House Ayes	House Nays
Republican	86	25
Federalist	<u>20</u>	<u>9</u>
Totals	106	34

Source: 32 Annals of Cong. 1742-1743 (1818).

The Senate immediately considered both bills. On Saturday, April 18, only three days after the House votes, both bills were read the requisite third time, and approved by voice consent. Consequently, there are no available Senate roll calls for either bill.<sup>46</sup>

The 1818 legislation modified only a few imported items, but these changes were significant, because tariff rates on the impacted goods substantially increased. These changes are summarized as follows:

<sup>46</sup> 32 Annals of Cong. 383 (1818).

**Table 5.5.** Summary of Changes in Tariff Rates resulting from 1818 Tariff Legislation

Item	Measure	1816 Rate	1818 Rate	Change
Cotton	Ad valorem	25% to 1819	25% to 1826	7 years
Wool	Ad valorem	25% to 1819	25% to 1826	7 years
Pig Iron <sup>47</sup>	Ad valorem/ Hundred Weight	20% /\$ .30	\$ .50	67% increase
Iron bolts, bars & castings	Hundred Weight	\$ .45	\$ .75	67% increase
Alum	Hundred Weight	\$1.00	\$2.00	100% increase
Nails	Pound	\$ .03	\$ .04	33% increase
Spikes	Pound	\$ .02	\$ .03	50% increase

Source: 32 Annals of Cong. 2582 (1818); Northrup and Turney, eds. *Encyclopedia of Tariffs and Trade*, 3:19-20; Taussig, *Tariff History*, 50-53.

The changes added substantial protection for the cotton, iron, and woollens manufacturing industries. Detailed information on the specific “mix” of American imports prior to 1830 is virtually non-existent. From available information, total duties raised compared to total value of imports, shows the following pattern in Table 5.6:

**Table 5.6.** Tariff Duties as a Percentage of Total Imports: 1816 to 1824

Year	Total Imports (millions)	Dutiable Imports (millions)	Goods Dutiable (%)	Tariffs Duties (%)
1816	\$134	not available	n/a	24.6%
1817	\$ 82	not available	n/a	26.8%
1818	\$108	not available	n/a	24.1%
1819	\$ 74	not available	n/a	28.4%
1820	\$ 57	not available	n/a	29.8%
1821	\$ 44	\$ 42	95%	43.2%
1822	\$ 68	\$ 65	96%	35.2%
1823	\$ 51	\$ 49	96%	43.7%
1824	\$ 54	\$ 51	94%	47.4%

Source: Carter, et al., eds. *Historical Statistics*, 5:510; note that the information separating free and dutiable imports is only available commencing in 1821.

<sup>47</sup> The 1818 tariff bill changed the duties charged for imported pig iron from an ad valorem rate to a fixed rate. There is little information on early antebellum pig iron prices. Peter Temin estimates the market price to approximate \$30 per ton, refer to Peter Temin, *Iron and Steel in Nineteenth-Century America, an Economic Inquiry*, (Cambridge, Massachusetts: M. I. T. Press, 1964), 30. If this imprecise estimate is calculated to the hundredweight at a 20% ad valorem rate, the effective tariff established in 1816 would be estimated to be thirty cents per hundredweight.

This information provides clues about the Tariff of 1818's effectiveness. The United States did not materially change the duties schedule between 1818 and 1824. The data from 1821 forward shows that almost all foreign goods reaching American ports were subject to the tariff and it is reasonable to assume that the pre-1821 situation was similar. In 1819 and 1820, the average tariff rate on imports rose, but only slightly. For the period from 1821 through 1824, the average tariffs relative to imports significantly increased. *Ceteris paribus*, it appears that foreign imports of iron, cotton and woolen goods, now charged at higher rates, likely decreased for the first two years after the Tariff of 1818 was enacted. This is consistent with data showing that overall imports decreased those two years, in part arising from the Panic of 1819 and its contracting effect on the American economy. However, the return to prosperity in 1821 coincided with sharp increases in the average duty, suggesting that importation of iron, cotton and woolen goods substantially increased. This circumstantial evidence suggests the Tariff of 1818 ultimately failed to reduce foreign imports of its enumerated goods.

### **Economic Expansion and the Panic of 1819**

American industrialization after the war was accompanied by a rapid expansion in general economic activity. This expansion was short-lived, and was abruptly halted by the Panic of 1819. The economic and psychological scars from the Panic would influence future trade policy debates, as both nationalists and liberals argued that their particular brand of tariff policy best insulated the country from future panics

The American "boom" economy between 1815 and 1819 was significantly influenced by a speculative appetite for western lands. Settlers flocked to the Northwest and across the Mississippi River after the war effectively ended Indian threats in the area. In addition, easy credit offered by the Bank of the United States and the numerous state banks, many of which

first opened their doors after the war, made loans for investment in industrial machinery and real estate readily available.

Modern economic business cycles originate from excessive “boom” periods that lead to malinvestment in non-liquid assets such as land and factories, and eventually result in economic “bust” periods once speculative prices are exposed as unsustainable and shrinking demand leaves capital investments such as factories with underutilized production capacity.<sup>48</sup> The Panic of 1819 was characterized by the sudden scarcity of specie. As the monetary contraction occurred, loans were called in and specie flowed generally from debtors to creditors. The West suffered greatly, because it was a debtor region, where significant tracts of land were surveyed, sold on credit, and then settled. Land sales were heavily influenced by the many speculators operating in the marketplace and the easy availability of credit from banks.

President Madison had expressed a view that a national bank was needed in his seventh annual address: “The benefits of an uniform national currency should be restored to the community.”<sup>49</sup> On March 13, 1816 the House approved a Bank Bill by a vote of 81 to 65, and on April 3, 1816 the Senate approved the bill by a vote of 22 to 12.<sup>50</sup> The Second Bank of the United States opened for business in January, 1817.<sup>51</sup>

The objective of the Second Bank was to restore order and discipline to the national financial system. The issuance of substantial amounts of new state bank notes during the War of 1812 led

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<sup>48</sup> Malinvestment occurs as a result of economic speculation. Large capital investments such as land, buildings and machinery typically offer investors greater potential financial rewards, but these investments also entail greater financial risk. During economic booms, investors typically discount the risks associated with these types of investments and as a result there is excessive capital investment on a national scale. The process of excessive capital investment is known as malinvestment. A modern example of the consequences of malinvestment in the real estate crash of 2008-2009 in the United States.

<sup>49</sup> Bray Hammond, *Banks and Politics in America: From the Revolution to the Civil War* (Princeton, New Jersey: Princeton University Press, 1957), 232-233.

<sup>50</sup> 29 Annals of Cong. 281, 1208 (1816).

<sup>51</sup> Davis R. Dewey, *The First and Second Banks of the United States* (Washington: Government Printing Office, 1910) 156.



to inflation. Pro-bank forces argued that a re-charter of the Bank of the United States would bring order and compel state banks to resume specie payment, which they had suspended during the war. In practice, this did not happen, as Treasury Secretary William Crawford constantly pressured the Bank to accept depreciated state notes in lieu of specie and/or treasury notes.<sup>52</sup> By 1818, shortly after receiving its charter, the Second Bank had already issued \$10 million in notes of its own, and loaned out \$41 million, despite having only \$2.5 million in specie reserves. The South utilized 57% of this circulation and the West 22%.<sup>53</sup> Contrary to original intent, the Second Bank was promoting a lack of discipline within the financial system.

State banks also contributed to monetary expansion in the post-war era. Reserve ratios declined dramatically, in part due to a drain of specie out of the country. In 1815, the total number of banks operating in the country increased almost 20%. Bank notes in circulation expanded to \$68 million, an increase of 48%.<sup>54</sup> Overall, state bank's reserve ratios (specie relative to deposit and note liabilities), which were .43 in 1813, sharply declined to .19 by 1819.<sup>55</sup> Fueled by the monetary expansion, the country's economy boomed, fueled in the South and in the West by land speculation.

One of the initial triggers precipitating the end of the boom occurred in late 1818 and early 1819 when the Bank of the United States Treasury paid off the final \$4 million balloon payment for the Louisiana Purchase debt, payable in specie. To meet this obligation the Bank reversed

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<sup>52</sup> Leon M. Schur, "The Second Bank of the United States and the Inflation after the War of 1812." *The Journal of Political Economy* Volume 68, No. 2 (April, 1960): 119.

<sup>53</sup> Ralph C. H. Catterall, "The Issues of the Second Bank of the United States." *The Journal of Political Economy* Volume 5, No. 4 (Sep., 1897), 432.

<sup>54</sup> Murray Rothbard, *The Panic of 1819: Reactions and Policies* (Auburn, Alabama: Ludwig Von Mises Institute, 2002), 7

<sup>55</sup> Edwin J. Perkins, "Langdon Cheves and the Panic of 1819: A Reassessment." *The Journal of Economic History* Volume 44, No. 2 (June, 1984) 457.

course and initiated contractionary monetary policies. The Bank not only provided funds for the Louisiana payment, it also increased its own specie reserves to \$8 million by spring of 1821.<sup>56</sup>

The Bank's change in policy improved its own financial condition, strengthening its reserve ratio from .33 in 1819 to .61 the following year.<sup>57</sup> However, the buildup in specie caused a corresponding reduction in the Bank's circulating notes, which fell from a peak of \$8.3 million in late 1818 to only \$3.6 million in 1820.<sup>58</sup> The Bank's policies quickly reduced the amount of money in circulation in a very short timeframe, sparking the Panic.<sup>59</sup>

The depth of the Panic, particularly in the West, was profound. Hezekiah Niles estimated that 50,000 people in New York, Philadelphia and Baltimore were either unemployed or underemployed.<sup>60</sup> The Nashville, Tennessee county court processed over 500 foreclosure actions during a single term. In Pennsylvania, better off than most western states, nearly 15,000 foreclosure actions were commenced in 1819.<sup>61</sup> The proceeds from the sale of public lands by the federal government fell from \$13.6 million in 1818, to only \$3.0 million in 1820 and 1821 combined.<sup>62</sup> In Missouri, prominent businessman Moses Austin, made wealthy from investments in the lead mining industry, was forced into bankruptcy in 1820, and soon left for Texas to start over. A city lot in St. Louis that had sold for \$1,000 in 1820 garnered only \$140 in 1821.<sup>63</sup> A *Franklin Intelligencer* writer noted "I do not recollect any period when so many

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<sup>56</sup> Rothbard, *Panic of 1819*, 12-13.

<sup>57</sup> Perkins, "Langdon Cheves and the Panic of 1819," 457.

<sup>58</sup> Dewey, *First and Second Banks*, 228.

<sup>59</sup> Catterall, "The Issues of the Second Bank," 423-424.

<sup>60</sup> Samuel Reznick, "The Depression of 1819-1822, a Social History," *The American Historical Review* Volume 39, No. 1 (Oct, 1933): 31. The 1820 census data shows these three as the largest cities in the country, with a combined population of approximately 250,000 inhabitants.

<sup>61</sup> Charles Sellers, *The Market Revolution: Jacksonian America, 1815-1846* (New York: Oxford University Press, 1991), 137.

<sup>62</sup> Rothbard, *Panic of 1819*, 14.

<sup>63</sup> William E. Foley, *The Genesis of Missouri; From Wilderness Outpost to Statehood* (Columbia, Missouri: University of Missouri Press, 1989), 257, 259.

persons were without employment as at present. These are not mechanics or farmers, but clerks, gentlemen and professional characters.”<sup>64</sup>

### **The Tariff of 1820**

The Panic of 1819 put pressure on American political leaders to consider ways to relieve the economic stress faced by citizens. At the state level, political activism took the form of stay and replevin laws, designed to relieve beleaguered real estate debtors by forestalling the collections and foreclosure process. At the national level, cries for relief were loudest from manufacturers, who were particularly hard pressed. Memorialists bombarded Congress with pleas for relief throughout 1819 and continuing through 1822.

Entrepreneurs slowed down the construction of new factories in the face of British imports and the Panic of 1819. In New England, an average of eighteen cotton mills opened every year during the war from 1812 to 1815. In the following five years, from 1816 through 1820, the expansion continued, but at a much slower rate of just four new factories per year.<sup>65</sup>

Memorials poured into Washington, crying for increased tariffs. The vast majority were received from local groups citizens employed in a wide array of manufacturing interests. The memorialists frequently reasoned that by reducing the amounts of foreign imports reaching the United States, domestic producers could economically recover by increasing their market share and enjoy increased production levels.

An example of a typical memorial was sent to Congress in December 1819 from “a convention of the friends of national industry, assembled in the city of New York, to take into consideration the prostrate situation of our manufacturers.” This meeting included delegates from a wide variety of states, including Massachusetts, Rhode Island, Connecticut, New York,

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<sup>64</sup> *Franklin (Missouri) Intelligencer & Boon's Lick Advertiser*, 28 September 1820.

<sup>65</sup> Ware, *Early New England Cotton Manufacture*, 37.

New Jersey, Pennsylvania, Delaware, Ohio, and Maryland. The “friends” described the plight of American manufacturing. They noted that “many of our manufacturers are thus ruined; our working people destitute of employment, and of the means to support their families; our manufacturing establishments falling to ruins; and our water powers, with which we are pre-eminently blessed, unemployed, - our cities and towns are filled with the manufactured productions of other nations, by which we have been and are ruinously drained of our wealth.”<sup>66</sup>

The memorial called for increased tariffs on a variety of items, including, but not limited to, cotton, wool, silk, and iron. It pointed out that other economic spheres would indirectly benefit, declaring that “independent of every consideration in favor of the policy of affording adequate protection to domestic industry ... and the protection due manufacturers ... we are convinced that the farmers and planters would largely participate in the benefits of the system we advocate. The planter would have a steady market for his raw material, not subject to those destructive fluctuations which have produced such extensive ruin within the present year; and the farmer would have an equally steady and increasing demand for the productions of his farm.”<sup>67</sup>

The pro-tariff memorials coincided with the introduction of concerted efforts to justify protective policy through the press. This was a significant development because, instead of merely advocating for a given interest as the memorials did, newspapers and books served as conduits for building systematic arguments to support the protective cause. The foremost publisher for protection in the 1820s was Mathew Carey.

Carey was born in Dublin, Ireland in 1760. The ardent Catholic nationalist ran afoul of British authorities at the tender age of nineteen, when he published a seditious work entitled *Appeal to the Roman Catholics of Ireland*. Carey’s family smuggled him away to France, where

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<sup>66</sup> 36 Annals of Cong. 2287 (1820).

<sup>67</sup> Ibid., 2292-2293 (1820).

he was introduced to Benjamin Franklin. He returned to Ireland in 1780, and wrote for the *Hibernian Journal*, a leading anti-British publication. Carey ran into trouble with Great Britain a final time in 1784 and, in the face of likely treason charges, he fled to the United States, where he became a successful printer. The new Irish immigrant initially allied with the Federalists, but moved over to the Republicans during the 1790s.<sup>68</sup>

In 1819, Carey forayed into the issue of trade policy when he published a number of tracts collectively entitled *Addresses of the Philadelphia Society for the Promotion of National Industry*. The *Addresses* attracted a national audience. John Adams commented that “the gentlemen of Philadelphia have published a very important volume upon the subject, which I recommend to ... careful perusal.” General William Henry Harrison praised the work, stating that “I should be wanting in candour not to acknowledge, that I have been converted to my present principles in favour of manufactures, by the luminous views upon the subject which have been published by your society.”<sup>69</sup>

Carey preached both the virtue and necessity of protection. The preface to *Addresses* argued that promoting manufactures benefitted the entire nation. Carey framed the question as “whether we shall be really or nominally independent – whether we shall persevere in a policy, which in four or five years has done more to prostrate our strength and resources than a fierce war ... that fosters and promotes the wealth, power, resources, industry, and manufactures of foreign nations, and sacrifices those of our own country.” He remarked that “It is a great error to suppose, as unhappily is too frequently done, that it is the cause of manufacturers alone. Nothing can be more foreign from the real fact. It is the cause of the nation.”<sup>70</sup>

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<sup>68</sup> Edward C. Carter, II. “Mathew Carey in Ireland, 1760-1784,” *The Catholic Historical Review* Volume 51, No. 4 (Jan, 1966): 503-504, 511-515, 521-526.

<sup>69</sup> Carey, et al., *Addresses of the Philadelphia Society*, ii.

<sup>70</sup> *Ibid.*, iv.

*Addresses* aggressively attacked free trade. Carey proposed “to establish the utter fallacy of some maxims, supported by the authority of the name of Adam Smith, author of the *Wealth of Nations*, but pregnant with certain ruin to any nation by which they may be carried into operation.”<sup>71</sup> The *Essays* took issue with Smith’s version of political economy on four points. First, Carey asserted that “Industry is the only sure foundation of national virtue, happiness, and greatness: and, in all its useful shapes and forms, has an imperious claim on governmental protection.” His second claim was that “no nation ever prospered to the extent of which it was susceptible, without due protection of domestic industry.” Third, the tract maintained that “there are few, if any, political evils, to which a wise legislature, untrammelled in its deliberations and decisions, cannot apply an adequate remedy.” Finally, the *Essays* commented that “The interests of agriculture, manufactures, and commerce, are so inseparably connected, that any serious injury suffered by one of them must materially affect the others.”<sup>72</sup>

Carey, despite his personal hatred of Britain, greatly respected the British economic model. He believed that Britain had elevated itself “to a degree of wealth, power, and influence, far beyond what her population or natural resources would entitle her to” as a direct consequence of her highly protectionist policies.<sup>73</sup> He argued that the British tariff system, which featured much higher rates, encouraged importation of raw materials and exportation of manufactured goods produced by a well-supported domestic manufactures sector which he concluded was the source of British economic superiority. For example, he compared Great Britain’s tariff of 85% ad valorem on manufactured cotton cloth in 1819 to a substantially smaller 27.5% ad valorem rate

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<sup>71</sup> *Ibid.*, 14-15.

<sup>72</sup> *Ibid.*, 22-23.

<sup>73</sup> *Ibid.*, 32-33.

in the United States. Carey concluded that “the annals of legislation and revenue cannot produce a stronger contrast between the most profound policy and its direct opposite.”<sup>74</sup>

In spite of the impact of the Panic and the flood of British exports, many Americans maintained that free trade was preferable to protection. Congress received many anti-tariff memorials. Agrarians complained that they would be burdened with higher prices if less expensive imports were prevented from reaching the American market. Merchants were concerned that higher tariffs meant reduced commercial shipping.

A typical agricultural memorial was sent in 1820 by the Roanoke Agricultural Society, based in Virginia’s Shenandoah Valley. It declared that “The tariff bill introduced at the last session of Congress, and which, it is apprehended, may again be introduced at the present, could not fail to agitate the feelings and excite the alarm of your memorialists.” The tariff proposal, in their opinion, ran afoul of common sense, because “It is an axiom of political economy that when a nation can import cheaper than she can manufacture, she should not pretend to set up workshops of her own, but should rely on those of her neighbors.” The petitioners pointed out increased tariffs provided unfair economic advantage to one economic interest to the detriment of others. They complained that “For the purpose of forcing and pampering a puny and comparatively insignificant manufacturing interest, agriculture is attempted to be grievously taxed, our revenue diminished, and commerce, in a great measure, destroyed.”<sup>75</sup>

An example of a commerce-based remonstrance arrived from Philadelphia the same year. These memorialists dubbed themselves “a convention of delegates representing the merchants and others interested in commerce, assembled at Philadelphia.” Their document compared and contrasted the merits of free trade with the pitfalls of governmental interferences with trade. The

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<sup>74</sup> Ibid., 41.

<sup>75</sup> 36 Annals of Cong. 1522-1524 (1820).

signatories insisted that “the nation, through its highest public functionaries, is called upon to determine whether we will plunge still deeper into all those measures of prohibition and restrictions upon trade; of duties premiums and bounties; of stimulants to rear exclusive interests at the national expense.” The Philadelphia delegates proudly proclaimed that “commerce is to the body politic what the circulation of the blood is to the body natural; to check either materially, is to produce disease; and to augment such check, in any degree, is to destroy the healthful existence of both.” In contrast, manufacturing inevitably led to conditions where workers “are forced to labor from fourteen to seventeen hours in the twenty-four, and to live almost exclusively on vegetable diet, in order to earn a miserable pittance of wages, scarcely sufficient to keep body and soul together?”<sup>76</sup>

Free trade advocates, similar to protectionists, were also supported by substantial writings in addition to the many memorials. The most notable writer for their cause during the 1820s was John Taylor of Caroline. Taylor published *Tyranny Unmasked* in 1822 and *New Views of the Constitution of the United States* the following year. *Tyranny Unmasked* directly assaulted protectionism on the grounds that it amounted to the preferential treatment of certain economic spheres at the expense of others. In *New Views*, Taylor suggested protectionist tariffs were unconstitutional.<sup>77</sup>

Taylor’s background sharply contrasted with Carey’s. He was a close friend and confidant of both Randolph and Macon. Taylor was deeply integrated into the Virginia social aristocracy, and after his father died he was raised by his famous uncle, Edmund Pendleton. The young Virginian attended the College of William and Mary, practiced law, and served in the

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<sup>76</sup> Ibid., 1498-1499, 1502.

<sup>77</sup> Taylor, like Randolph and Macon, argued for a minimalist federal government, and concluded that one of its primary goals was to protect property rights, see Manning J. Dauer and Hans Hammond, “John Taylor: Democrat or Aristocrat?” *The Journal of Politics* Volume 6, No. 4 (Nov, 1944): 389.



Revolutionary War. He retired from the law at an early age and spent the rest of his life as a gentleman farmer, as well as serving three partial terms as a United States senator.<sup>78</sup>

*Tyranny Unmasked* circulated two years after *Addresses of the Philadelphia Society*, and directly responded to an 1821 report from the House Committee of Manufactures recommending increased protection for American industry.<sup>79</sup> Taylor equated protection with economic tyranny, because government became a conduit for redistributing economic wealth to manufacturers at the expense of the other economic spheres. He feared recreating a Walpolian system that would poison the American republic, which required a virtuous citizenry and impartial government to thrive. The committee report was flawed because it “entirely overlooked by far the most important branch of political economy, namely, the economy which teaches nations not to expend the principles which secure their liberty, in search of money.”<sup>80</sup> Taylor added in *New Views* that special economic interest groups “would moreover change our federal system into an aristocracy of states or of capitalists, interested to commit frauds ... [with] the federal government converted into an engine for committing the partialities it was designed to prevent.”<sup>81</sup>

Taylor predicted that each request for protection would be followed by more and more requests, doubting that manufacturing interests would ever operate in good faith. Taylor complained that “the remedy for over-grown power, constantly proposed, is more power to suppress the disorders it produces; so the remedy for exclusive privileges, as constantly

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<sup>78</sup> John Taylor, *New Views of the Constitution of the United States*, ed. James McClellan (Washington, D. C.: Regnery Publishing, Inc., 2000), xvi-xix.

<sup>79</sup> Taylor, *Tyranny Unmasked*, xviii.

<sup>80</sup> *Ibid.*, 79.

<sup>81</sup> Taylor, *New Views of the Constitution*, 328-330.

proposed, is more exclusive privileges, under the pretense of removing the oppressions they have caused.”<sup>82</sup>

*Tyranny Unmasked* concluded that protective tariffs endangered the Republic. Taylor asserted that “All reflecting individuals, except those bribed by self-interest, believe that liberty can only be achieved by a frugal government, and by excluding frauds for transferring property from one man to another.”<sup>83</sup> He accused the manufactures lobby of manipulating the nation through legislative acts containing “many contrivances for transferring property, under pretence that that capital creates industry; and for impoverishing the people to create an order of rich capitalists, under pretence that this order will enrich the people.”<sup>84</sup>

Taylor exhorted his fellow Americans to “restore a free trade; abolish exclusive privileges,” and “surrender legislative patronage.” He pointed out that “Athens, Carthage, and Holland, being deficient in commodities, both agricultural and manufactured, resorted to a free trade, and availed themselves of their maritime situations to excite industry by the utmost latitude both as to exports and imports. These examples of political economy have been admired by all the world ... we should unite the policy by which they flourished.”<sup>85</sup>

Against the backdrop of these differing views, American economic nationalists, led by House Speaker Henry Clay, commenced a tariff initiative in 1820 to increase protection offered to American manufactures.<sup>86</sup> The nationalists offered a number of reasons to support their effort, but the most critical one echoed Carey’s insistence that the United States needed to use protection to ensure its economic independence. Clay argued that the unequal economic

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<sup>82</sup> Taylor, *Tyranny Unmasked*, 73.

<sup>83</sup> *Ibid.*, 226.

<sup>84</sup> *Ibid.*, 235.

<sup>85</sup> *Ibid.*, 73, 92.

<sup>86</sup> Clay was, in some respects, a composite image of the United States. He owned a plantation, grew hemp, and sent that hemp to a Louisville rope factory that he was an investor in. He was an agricultural slave owner married to the daughter of a merchant/manufacturer, see Daniel Walker Howe, *What Hath God Wrought: The Transformation of America, 1815-1848* (New York: Oxford University Press, 2007), 270.

relationships that foreign nations established with the United States through trade barriers justified a reciprocal American reaction, particularly true when the nation was deprived of goods vital to national sovereignty. He explained that “The wants of man may be classed under three great heads – food, raiment, and defence ... the country, then, which relies upon foreign nations for either of these great essentials, is not in fact, independent.”<sup>87</sup>

Clay was a shining example of what Americans were accomplishing in the modernizing American economy. He owned “a hemp and cotton spinning mill; he was director of two banks; he owned and rented out town lots; he had a tavern.”<sup>88</sup> Clay stalwartly supported like opportunities for all citizens, and he persistently championed nationalism over sectionalism throughout his long and distinguished legislative career.

On March 22, 1820, Representative Henry Baldwin, the chairman of the Committee on Manufactures, and an investor in iron manufacturing, presented a new tariff bill to the House that called for higher tariffs.<sup>89</sup> Cotton, wool and iron duties would be substantially increased. The ad valorem rate for cotton and wool would be increased from 25% to 33%. Duties on pig iron would be increased from 50 cents to 75 cents per hundredweight and on iron castings from 75 cents to one dollar and 50 cents per hundredweight. The duties on various other forms of iron were to be increased as well.<sup>90</sup>

Baldwin framed the bill as a search for long-term national prosperity. He stated that “we have thought that this nation can never be flourishing or independent, unless it can supply from its

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<sup>87</sup> 36 Annals of Cong. 2035-2036 (1820); Martin Van Buren linked Clay to Hamilton’s legacy, noting that Clay “attached the mass of the Federal party to his fortunes ... shouldering a large share of responsibility for the reintroduction of a national bank, he added to his programme the Protective System, stopping in the first instance at a protective tariff, but willing, as was clearly seen, to embrace Hamilton’s entire scheme,” see Martin Van Buren, *Inquiry into the Origin and Course of Political Parties in the United States* (New York: Hurd and Houghton, 1867), 416.

<sup>88</sup> O’Brien, *Conjectures of Order*, 915.

<sup>89</sup> 36 Annals of Cong. 1663 (1820); *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=B000087>.

<sup>90</sup> 36 Annals of Cong. 1663-1665 (1820).

own resources its food, its clothing, and the means of defense; that, to be dependent on foreign nations for the articles essential for these purposes, is inconsistent with true policy; and that the system which has entailed on us this dependence, must be radically changed.”<sup>91</sup> Baldwin pointed out that European peace changed the nature of world trade. He reminded Congress that “Europe can now feed herself, and can compete with us in other markets for our provisions. Those nations from whom we import the most, now refuse to receive our produce at any price. Thus, there has been a radical change in those relations with other nations, which gave the turn to our national industry. A wise legislature will and must change its internal policy to meet the changes which make a revision necessary.”<sup>92</sup>

The Pennsylvania congressman argued that national interest should supersede individual interest. Baldwin explained that “the committee have thought that, in bottoming this bill on this national principle, that we ought to feed, clothe, and be able to defend ourselves ... our motives rise higher than the interest of manufacturers; whether they make or lose money now; whether it tends to enrich one or the other, or all classes of society, has scarcely entered into our consideration ... this nation must command its own consumption and the means of defence.”<sup>93</sup>

Nationalists insisted that while the Tariff of 1816 had appropriate protectionist goals, its duty levels weren’t high enough to accomplish them. Representative Louis McLane of Delaware explained that “considerable capital is already embarked in manufacturing establishments, and if it be our interest to preserve it there, and to cherish its employment, it is indispensably necessary that we should inspire the capitalists with confidence in our policy, to prevent them from

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<sup>91</sup> Ibid., 1917.

<sup>92</sup> Ibid., 1920; President Monroe did not take a very firm position on the tariff bill. In his annual address in 1819 he proposed to “give encouragement to our domestic industries,” but by 1820, in response to political pressure, he softened his stance, see Harry Ammon, *James Monroe: The Quest for National Identity* (Newtown, Connecticut: American Political Biography Press, 1997), 463, 473.

<sup>93</sup> 36 Annals of Cong. 1923, 1943 (1820).

withdrawing it, or to save it from actual loss ... [at] all times and ages ... the success of manufactures has depended upon governmental aid; they have never flourished anywhere without it.”<sup>94</sup>

Protection advocates also maintained that the bill benefitted all three economic constituencies, and accordingly benefitted the entire nation. Charles Kinsey of New Jersey, a paper manufacturer, reminded his colleagues that “the great agricultural States of New York and Pennsylvania and Pennsylvania, ever attentive to their true interests, and well acquainted with their sources of wealth, have instructed their representatives to protect manufactures. The States of Ohio and New Jersey have unanimously done the same.”<sup>95</sup>

Liberals were not persuaded by the nationalist arguments. They particularly feared the consolidation of economic power, believing that it would endanger the republic more than any European power could. Consistent with John Taylor’s views, they saw the great enemy of the republic emanating from within, not externally.

Free traders concluded that the proposed bill catered to special economic interests. John Tyler of Virginia envisioned an endless plea for greater and greater protection in the future. He predicted “that, after a lapse of a very few years, we shall be assailed by as urgent petitions as those which have poured in on us at the present session.” He charged that the legislation amounted to wealth redistribution, stating that “it adds to the profits of those who at this time have their capitals invested in manufactories; and while other classes will labor under severe pecuniary embarrassments, they will enjoy comparative prosperity.”<sup>96</sup>

Tyler suggested that manufacturers were experiencing the ordinary risks of business, which didn’t merit special treatment. He queried, “Do not all producers experience fluctuations in their

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<sup>94</sup> Ibid., 2094, 2105-2106.

<sup>95</sup> Ibid., 2149.

<sup>96</sup> Ibid., 1953-1954.

markets? Today, from the deficiency of the supply, high prices are obtained; tomorrow the market is better supplied, and a diminution in the value of the product takes place. These are calculations which all men must make.” Tyler attributed the current economic problems to the ordinary course of business, stating that “The present extraordinary condition of the world, almost all Christendom being now at peace, is one of the great causes ... all classes are greatly oppressed. For one, I wanted such information as would have enabled me fairly to contrast the condition of the manufacturing with the other interests of the country.” He concluded with a question: “shall we adopt this wicked and injurious course of policy? ... No sir, I do still hope that we shall not resort to expedients which bloat the body politic, and, in the end, enervate and destroy ... this bill proposes a new direction to the capital and industry of your citizens.”<sup>97</sup>

Commercial interests expressed concern that the bill would harm their economic interests. Ezekiel Whitman of Massachusetts anticipated that the measure would lead to higher consumer prices, and asked “what do they require of us? It is, that we should consent to pay from one-fifth to one-third more for many of the great necessities of life than we otherwise should ... it is certainly not for the interest of this nation to make any one class of men a privileged order, and allow them to live by extracting assistance from the hard earnings of others.” He described the bill as “mad schemes for depressing commerce, and ruining the merchants, and burdening agriculture,” which would inevitably “guard the rich so that the means of acquiring wealth should be exclusively with them. Have we not, in this country, an aversion to aristocracy? And yet, here is to be erected a moneyed aristocracy – the worst of all aristocracies.”<sup>98</sup>

Liberals also argued that a high tariff caused an unjust redistribution of wealth. Mark Alexander of Virginia described the legislation as an example of “appeal to public authority for

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<sup>97</sup> Ibid., 1953, 1956, 1960-1961.

<sup>98</sup> Ibid.; see also comments by John Holmes (MA), 2081-2082.

the relief of private distress.” He noted that “by enhancing the value of the foreign commodity, the price of the surplus produce of the land is diminished, and a monopoly is given to the home manufacturer and artificer, at the expense of the landed interest, by diverting a portion of its capital to another employment ... I must confess, that I do not understand this way of taxing the right hand to support the left. Let nature work her course, and she will work out her own safety.” Alexander warned that the tariff road led to the same special interests that corrupted British politics. He prophesized that an “interest which will be created in society as powerful and ungovernable as the waves of the sea, whose very scowl, we are told, like the rude tempest, carries terror to the heart, and holds a British Parliament in duress. And whenever that interest shall predominate, the little liberty that we now breathe becomes as the taper of life – “out, out, brief candle!” You tax them; they make the people pay it.”<sup>99</sup>

The performance of the now six-year old Waltham factory served as an example of American manufactures, and both pro and anti-tariff factions used it to press their arguments. Henry Clay presented Waltham as an example as to why manufactures should be further encouraged. He described “a visit which I lately made to the Waltham manufactory ... hundreds of girls and boys were occupied in separate apartments. The greatest order, neatness, and apparent comfort, reigned throughout the whole establishment. The daughters of respectable farmers ... were usefully occupied. They would come down to the manufactory, remain perhaps some months, and return with their earnings.” Clay argued that Waltham’s success represented the potential, though not the current reality, of American manufacturers. Comparing Waltham to a competitor in Brunswick, Maine, he insisted that “owing to this extraordinary combination of favorable circumstances, the Waltham establishment is doing pretty well. Whilst that of Brunswick, not

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<sup>99</sup> 36 Annals of Cong. 2015-2016, 2018 (1820); Alexander’s comments sparked a heated exchange. See also comments by Philip Barbour (VA), 2059, 2074, 2078, and William Lowndes (SC), 2124, in support of free trade and Alexander’s position; see also comments by Henry Clay criticizing free trade, 2048.

possessing all of them, but perhaps as many as would enable it, under adequate protection, to flourish, is laboring hard.”<sup>100</sup>

Anti-tariff forces seized on Waltham’s financial success, in spite of the Panic of 1819, as sufficient reason not to provide more protection. Philip Barbour suggested that “This, surely, is a result which any capitalist ought to be content with; and accordingly, we are all informed that the owners of this establishment are satisfied, and ask no protection from the Government ... here, then, is the very principle for which I am contending, namely, that when we have the best kind of machinery, we do, in point of fact, a prosperous business.”<sup>101</sup> Representative Lowndes concurred, noting “an establishment (at Waltham) which was understood to have divided 12 percent and reserved a considerable surplus.”<sup>102</sup>

On Saturday, April 29, the House voted on the bill, passing it by a margin of 91 ayes to 78 nays.<sup>103</sup> The Senate Committee of Commerce and Manufactures quickly reported the House version of the bill with minor revisions on May 3.<sup>104</sup> The lines of argument offered in the Senate mimicked the House, with proponents arguing that increased protection would spark increased manufacturing activity to revive the national economy, while opponents stressed that special privileges granted to a particular economic sector ran contrary to republican political economy.

New Jersey Senator Mahlon Dickerson, of the Committee of Commerce and Manufactures, stressed the present danger to national security. He reminded colleagues that during the War of 1812, with the nation in economic crisis, “A large portion of commercial capital, for want of other employment, was immediately invested in manufacturing establishments; and, wherever those establishments were made, the country flourished beyond any former example, even under

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<sup>100</sup> 36 Annals of Cong. 2038, 2049 (1820).

<sup>101</sup> *Ibid.*, 2067.

<sup>102</sup> *Ibid.*, 2131.

<sup>103</sup> *Ibid.*, 2155-2156.

<sup>104</sup> 35 Annals of Cong. 653 (1820).



the pressure of war.” This prosperous trend was shattered in the post-war period when “the overflowing warehouses of Europe were emptied on our shores ... we now witness the extreme distress of our country, produced by pursuing commerce to the exclusion of manufactures.” Dickerson added the nationalist view that the three economic spheres all benefitted from protection in a symbiotic manner where “commerce and manufactures must be encouraged, but especially the latter, which may, in time, afford to the farmer a steady home market for his produce ... a nation may be great and independent by agriculture and manufactures ... if foreign commerce be added, it gives strength and activity to the whole, and adds greatly to the wealth, prosperity, and happiness of a nation. All three must be combined to produce the best effect.”<sup>105</sup>

The bill’s Senate opponents reiterated the charge that the tariff was tantamount to economic redistribution. Harrison Gray Otis of Massachusetts, one of the last Federalists in Congress, concluded that the legislation intended “to divert that capital, by artificial means, into a new current ... [amounting to] ... a manifesto of the disposition of a committee, and of one branch of the Legislature, to listen to the claim of the manufacturers, for a bounty of five millions of dollars.”<sup>106</sup> He warned that “the claims to protection, which are now so earnestly pressed upon you, will become irresistible, and considered justly as springing from your deliberate patronage; and if enough shall not have been done, you must persevere, and do more, otherwise a fearful ruin will indeed overwhelm those who will have trusted to your proffered bounty.”<sup>107</sup>

After a full day of debate on May 4, opponents called for a postponement. The motion carried by a tally of 22 to 21. In sudden and dramatic fashion, the Tariff of 1820 was dead. Supporters unsuccessfully tried to resurrect the bill during the second session. Nonetheless,

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<sup>105</sup> Ibid., 661-664.

<sup>106</sup> Ibid., 667, 670. Note that Gray also invoked Adam Smith, David Ricardo, and Jean Baptiste Say in support of free trade, 669.

<sup>107</sup> 35 Annals of Cong. 669-670 (1820).

Henry Clay prophesied that the protectionist lobby would ultimately succeed, declaring that “It may be postponed; it may be frustrated for the moment, but it must finally prevail.”<sup>108</sup>

The voting patterns in the House and Senate in 1820 strongly correlated to geographical region. In general, the Northern states favored of the tariff bill and Southern states opposed it. This pattern represents a significant shift from both 1816 and 1818, when political party affiliation remained the defining feature of the roll call.

There are three significant factors that deserve consideration in explaining the changing voting patterns. The most obvious event was the recent Missouri Compromise, which had spurred a divisive and bitter dialogue along sectional lines over the slavery issue. Secondly, the Federalist demise and end of the First Party System led to a breakdown of party discipline. Third, the voting patterns based on geography strongly correlated to predominant regional economic spheres. This recent development occurred because by 1820 the Northeast was in the process of an industrial “take off,” in advance of all other regions.

Missouri’s admission to the Union forced the slavery issue, quietly present since the Constitutional Convention, out into the open field of American politics. The Missouri debates dominated the Sixteenth Congress from the day its session opened on December 6, 1819. Missouri’s statehood request tied to slavery, and many Senate and House members waged a bitterly partisan, sectional based fight over the issue. James Barbour informally polled his colleagues about a possible national convention to consider breaking up the Union and John Randolph openly spoke of disunion. Despite the rancorous politics, Henry Clay successfully maneuvered a collection of separate bills that became known as the Missouri Compromise by March 3, 1820. The Missouri question was the most volatile and contentious political event in the American history to date. Unquestionably, many senators and representatives retained bitter

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<sup>108</sup> 36 Annals of Cong. 2051 (1820).

feelings over Missouri during the course of the tariff debates, which started less than a month after the Compromise passed.<sup>109</sup>

Southern concerns over the Missouri question centered upon the threat created by an increasingly powerful federal government. Historian Robert Forbes noted that “the Missouri crisis reignited generation-old fears among some slaveholders that the entire project of a strong national government posed a deadly threat to slavery.” He concluded that southern leaders feared “the threat to slavery’s future posed by an Adams-Clay alliance.”<sup>110</sup> Nathaniel Macon summarized this threat from nationalist-oriented federal power by commenting that “if Congress can make canals, they can with more propriety emancipate.”<sup>111</sup>

The death of the Federalist Party proved a mixed blessing for the Democratic-Republicans. A common political foe, previously acting as a source of party unity, was now removed. The assimilation of so many politicians and citizens into the party created a situation that led to increased factionalism. Many Federalists migrated to the Democratic-Republican Party, but that didn’t necessarily mean a conversion of political ideas and beliefs. John Quincy Adams represents a good example of this point. He joined the Republicans during the first decade of the 1800s, but his beliefs on trade remained strongly Hamiltonian. By 1820, he was a loyal Democrat-Republican, but also a firm economic nationalist. The Party was no longer as unified on trade policy as it had been in the 1790s when it supported free trade, or as it gradually shifted towards economic nationalism during the Jefferson and Madison administrations. The party now

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<sup>109</sup> Glover Moore, *The Missouri Controversy, 1819-1821* (Lexington: The University of Kentucky Press, 1953), 84, 93, 103.

<sup>110</sup> Robert Pierce Forbes, *The Missouri Compromise and Its Aftermath: Slavery and the Meaning of America* (Chapel Hill: University of North Carolina Press, 2007), 6, 12.

<sup>111</sup> Noble E. Cunningham, Jr., “Nathaniel Macon and the Southern Protest against National Consolidation,” *North Carolina Historical Review* Volume 32 (July, 1955): 380.

featured a “big tent” that incorporated both nationalists like Quincy Adams and free traders like Macon. The administration couldn’t effectively enforce discipline in face of such diversity.<sup>112</sup>

The sectional characteristics of the 1820 vote are summarized in Table 5.7. In the House, the Atlantic and Northwestern states overwhelmingly supported the measure while the Chesapeake and Southern regions opposed it just as strongly. The Southwest opposed the measure, though an appreciable minority favored the bill. Only New England exhibited a divided pattern. The Senate voting patterns were similar to a lesser degree.

**Table 5.7.** Ratification Vote of the Tariff of 1820 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, NH, RI, VT)	18	17	6	4
Atlantic	(DE, NJ, NY, PA)	55	1	8	0
Chesapeake	(MD, VA)	3	25	0	3
South	(GA, NC, SC)	2	25	0	6
Northwest	(IL, IN, OH)	8	0	4	2
Southwest	(AL, KY, LA, MS, TN)	<u>4</u>	<u>10</u>	<u>3</u>	<u>7</u>
Totals		90	78	21	22

Source: 35 Annals of Cong. 672 (1820); 36 Annals of Cong. 2155-2156 (1820); note that although the *Annals* reports the House roll call vote as 91 to 78, only 90 aye votes are recorded.

New England was conflicted because of its significant ties to both commerce and manufacturing. It was the leading commercial region of the country, but that sphere was beginning to wane in the post-war era. In response, many prominent merchants began shifting their investments towards manufacturing. Waltham, and later Lowell, were both primarily capitalized by investors who made their original fortunes in commerce. Historian Caroline Ware noted that “Capital for manufacturers was most easily secured in New England from mercantile wealth which could be directed into other channels ... with the destruction of foreign trade by the

<sup>112</sup> The brief period of a one party system that existed in between the First and Second Party Systems eventually collapsed from its own weight. Charles Sydnor noted that “it is a matter of great importance that this was accomplished by internal disintegration rather than by the creation of a rival party; for, thereby the one-party era was not followed by a biparty period but by a period of party anarchy,” see Charles S. Sydnor, “The One-Party Period of American History,” *The American Historical Review* Volume 51, No. 3 (Apr, 1946): 450.

War of 1812, New England's commercial capital was forced to seek new investment outside the field of trade."<sup>113</sup> New England's divided votes reflected the dual presence of strong manufacturing and commercial interests.

The 1820 census was the first to measure certain national economic attributes. In particular, it tabulated workers by general occupation, utilizing the three spheres of agriculture, manufactures, and commerce. This methodology created the most reliable picture of the American economic landscape to date.

The data, presented by region in Table 5.8, is ordered based on working population in manufacturing, from the most industrialized to the least. The Atlantic states were the most industrialized, making clear why they supported the tariff so strongly. The South was the most agricultural, providing circumstantial evidence for the region's opposition, though Quid ideology likely played a role as well. New England, as previously mentioned, featured strong economic interests in both commerce and manufacturing. The Chesapeake was manifesting very early signs of industrialization, but the lack of well-developed industrialization in 1820 created a situation where the Quid ideological tradition trumped economic interests. In the Northwest the numbers demonstrate that industrialization was already starting on a small scale, foreshadowing that manufactures would eventually become an integral part of that section's future. Finally, both the manufacturing and commercial totals for the Southwest were greater than that of the original South, suggesting that this region, through still predominantly agricultural, had the potential to embrace new spheres of economic activity.

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<sup>113</sup> Ware, *Early New England Cotton Manufacture*, 15.

**Table 5.8.** Regional Distribution of Economic Spheres in 1820

Party	Total Population	Percent Agriculture	Percent Manufactures	Percent Commerce
Atlantic	600,094	73.7%	23.2%	3.1%
New England	391,090	72.8%	20.9%	6.2%
Chesapeake	415,813	85.5%	12.3%	2.2%
Northwest	210,014	87.9%	11.0%	1.0%
Southwest	399,567	90.0%	7.5%	2.5%
South	<u>466,108</u>	<u>93.7%</u>	<u>4.7%</u>	<u>1.6%</u>
Totals	2,482,686	83.1%	14.0%	2.9%

Source: United States Census, 1820, <http://mapserver.lib.virginia.edu/>.

Table 5.9 illustrates the breakdown of party discipline in 1820, where the voting correlation was much weaker than 1816 and 1818. The Monroe administration took a passive stance on the legislation, and the president did not express an official position.<sup>114</sup> This left congressmen free to consider economic interests of their states and constituents.

**Table 5.9.** Ratification Vote of the Tariff of 1820 by Party Affiliation

Party	House	House	Senate	Senate
	Ayes	Nays	Ayes	Nays
Republican	76	68	14	20
Federalist	<u>14</u>	<u>10</u>	<u>7</u>	<u>2</u>
Totals	90	78	21	22

Source: 35 *Annals of Cong.* 672 (1820); 36 *Annals of Cong.* 2155-2156 (1820); note that although the *Annals* reports the House roll call vote as 91 to 78 only 90 aye votes are recorded.

The 1820 vote patterns show that political demarcations were most often determined at the state level. In the House, virtually all states voted either as blocs or near blocs. Twelve states produced unanimous votes, five states features only one dissenting vote, and just three states featured multiple minority votes. Maryland's delegation voted against the bill by a 7 to 2 vote, leaving only Massachusetts and Kentucky with sharply split voting patterns. In Kentucky, the House delegation vote was 4 to 3 in favor of the tariff bill. There was little correlation between

<sup>114</sup> Charles E. McFarland and Nevin E. Neal, "The Nascence of Protection: American Tariff Policies, 1816-1824," *Land Economics* Volume 45, No. 1 (Feb, 1969): 27.

the nature of the aye and nay votes to levels of industrialization. The following table lists the Kentucky votes by district in order of the percentage of workers engaged in manufactures:

**Table 5.10.** Kentucky House Votes by District: The Tariff of 1820

District	Vote	Member	Manufactures	Commerce	Agriculture
8 <sup>th</sup> District	Nay	Anderson	13.9%	1.9%	84.2%
4 <sup>th</sup> District	Aye	Metcalfe	9.9%	1.0%	89.1%
7 <sup>th</sup> District	Nay	Robertson	8.2%	0.9%	90.9%
3 <sup>rd</sup> District	Aye	Brown	7.5%	1.0%	91.5%
1 <sup>st</sup> District	Aye	Trimble	6.7%	0.5%	92.8%
10 <sup>th</sup> District	Nay	Hardin	6.1%	1.6%	92.3%
5 <sup>th</sup> District	Aye	McLean	5.0%	1.0%	94.1%

Source: United States Census, 1820, <http://mapserver.lib.virginia.edu>; Stanley B. Parsons, William W. Beach, and Dan Hermann. *United States Congressional Districts, 1788-1841* (Westport, Connecticut: Greenwood Press, 1978), 90-92, 160-167, 224-227, 230-233, 236-241.

The Massachusetts House delegation voted in favor of the tariff bill by a vote of 10 to 7. There, the situation was complicated by the fact that both the manufacturing and commercial spheres were integral components of the state's economy. Again, there is no strong correlation between the levels of industrialization in Massachusetts and the voting pattern on the tariff bill. The three most industrialized districts cast votes against the legislation. Likewise, the upper half of commercialized districts produced a mixed pattern of votes as well. A review of Massachusetts votes reveals the following:

**Table 5.11.** Massachusetts House Votes by District: The Tariff of 1820

District	Vote	Member	Manufactures	Commerce	Agriculture
1 <sup>st</sup> District	Nay	Fuller	50.0%	40.5%	9.5%
2 <sup>nd</sup> District	Nay	Silsbee	46.8%	21.6%	31.6%
3 <sup>rd</sup> District	Nay	Nelson	46.8%	21.6%	31.6%
13 <sup>th</sup> District	Aye	Dowse	43.7%	4.0%	52.2%
4 <sup>th</sup> District	Aye	Mason	33.5%	4.3%	62.2%
7 <sup>th</sup> District	Aye	Sampson	31.3%	14.4%	54.3%
11 <sup>th</sup> District	Aye	Kendall	27.8%	1.4%	70.8%
10 <sup>th</sup> District	Aye	Adams	27.0%	1.1%	71.9%
12 <sup>th</sup> District	Aye	Shaw	20.8%	1.4%	77.9%
8 <sup>th</sup> District	Aye	Folger	19.2%	51.8%	29.0%
16 <sup>th</sup> District	Aye	Parker	16.8%	10.3%	72.9%
15 <sup>th</sup> District	Nay	Whitman	16.6%	7.4%	76.0%
17 <sup>th</sup> District	Nay	Hill	13.6%	12.3%	74.2%
9 <sup>th</sup> District	Aye	Morton	12.9%	15.1%	72.0%
19 <sup>th</sup> District	Nay	Cushman	11.6%	1.9%	86.6%
18 <sup>th</sup> District	Aye	Kinsley	10.2%	12.5%	77.3%
14 <sup>th</sup> District	Nay	Holmes	7.5%	5.4%	87.1%

Source: United States Census, 1820, <http://mapserver.lib.virginia.edu>; Parsons, et al. *Congressional Districts, 1788-1841*, 90-92, 160-167, 224-227, 230-233, 236-241.

The Kentucky and Massachusetts examples suggest that industrialization levels were not yet a strong variable for determining voting patterns on trade policy legislation. American industrialization had not yet grown large enough to strongly influence tariff voting patterns. More likely, the defeat of the Tariff of 1820 was due to the fact that many legislators decided that the proposed higher duties crossed the line from revenue purposes and short-term protection to long-term protectionist policy.

The assertion that ideological concerns factored into the 1820 vote is supported by the number of legislators who shifted their positions on the tariff between the 1816 to 1820 votes. There was considerable turnover in the Senate and House over the four years separating these bills, but thirty-eight legislators cast a vote in both roll calls. Eleven of these individuals (29%) changed their tariff stance. Ten shifted from a pro to anti position. The predominance of the



shift in one direction versus the other suggests that the protectionist initiatives offered in 1820 went beyond what many lawmakers were previously comfortable with in 1816.<sup>115</sup>

The failure of the Tariff of 1820 was narrow. It comfortably passed the House, but was rejected in the Senate by the barest of margins. Under these circumstances, it was inevitable that the tariff question would appear again in the near future.

### **Conclusions**

American trade policy significantly shifted during the immediate post-war era, prompted by a wave of manufacturing expansion, beginning at Waltham and soon expanded to Lowell and other locales. This “takeoff” was concentrated in the New England and Atlantic states. Significant financial capital was invested in manufacturing, which was noted during the 1816 debates.

The American debates during the previous thirty years had been largely influenced by foreign policy. The economically weak United States constantly reacted to the economic policies of much stronger European nations. New and growing American manufactures represented a national asset that changed the focus of trade policy debates in 1816 and onward from an external perspective to an internal one. The salient question now centered on the manufactures sector’s importance to the nation, and the appropriate role of the federal government in fostering its further growth.

The Dallas Report and Tariff of 1816 produced a national-based consensus that temporary protection would place American manufactures on secure economic footing. The Tariff of 1816 garnered broad support, including the South and West, even though these regions were not yet sharing in the Northeastern takeoff. These regions’ political leaders, including John Calhoun, realized the potential of industrialization. Dallas Report principles established objective criterion

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<sup>115</sup> 29 Annals of Cong. 331, 1352 (1816); 35 Annals of Cong. 672 (1820); 36 Annals of Cong. 2155-2156 (1820).

to qualify goods for transitory federal support, which was exemplified by the timetables established in the 1816 bill.

Unfortunately, the Dallas “compact” began crumbling by 1818 and 1820, when economic nationalists, reacting to the Panic of 1819 and British competition, abandoned Dallas principles. They called for stronger protection for American manufactures and even hinted that it should be permanent. When nationalists also considered protection for raw materials, they clearly diverged from the Dallas Report and even the from Alexander Hamilton’s writings.

The trade policy debates between 1816 and 1820 reflected concerns about the nature of protection and its impact on a republican society. Nationalists prioritized economic strength and the good of the community over that of individuals. They concluded that if the United States failed to become economically and politically strong, the nation would inevitably fail. They were heavily influenced by the nation’s precarious relations with European powers from the end of the Revolution to the War of 1812. Free traders disagreed, maintaining that individual rights were a higher priority, and that economic favoritism to any group or individual over other citizens was the antithesis of the republican model. They pointed out numerous times that the nation should fear the creation of an “economic aristocracy.”

Great Britain shaped the views of both sides. Nationalists believed that the United States should emulate the British model, and that her economic accomplishments produced economic prosperity while maintaining a free society. Laissez-Faire proponents, observing the same model, were repulsed. They concluded that working and living conditions in factory cities such as Manchester, Birmingham, and Liverpool were totally undesirable, and incompatible with American republican ideals.

The acceleration of American industrialization thrust trade policy to the forefront of American politics by 1820. Interest groups such as manufacturers, farmers, and merchants bombarded Congress with memorials petitioning for their respective interests. Writers like Mathew Carey and John Taylor contributed fresh intellectual perspectives to the issue that were becoming increasingly sophisticated.

In the wake of the War of 1812, there was a general consensus that domestic manufactures required support. The recent war had not gone well, and the disparity of economic resources that Great Britain and United States successfully mobilized made an indelible impression on American policy makers. National security became a prominent issue, and protective trade policy was an essential component to solving the problem. The Dallas Report and Calhoun's support of it in 1816 summarize the national outlook.

However, the Panic of 1819 and flood of British exports convinced nationalists that the Tariff of 1816 provided inadequate protection. They dramatically changed course in 1820, pleading for privileges well beyond the original 1816 trade policy parameters. American "takeoff" was still confined to New England and the Atlantic states, and the increased demands by Northeastern manufacturers caused serious concerns in other regions and economic spheres.

The increased nationalist demands in 1820 ruptured the consensus established four years earlier. The Missouri Crisis aroused sectional tensions over slavery. By 1824, when the tariff was next revisited, the scars of the Missouri Compromise and increasing demands by manufactures served to inflame sectional differences and raise the economic stakes and, ensuring that the next round of debates would be more contentious and partisan.

## CHAPTER 6 – NATIONALISM APPLIED: THE TARIFF OF 1824

*“the protection of these establishments, which originated in the war, is not the object of the present bill. It does not even assume the modesty of pretension. Doctrines are now advanced, which never entered into the conception of those who advocated the tariff of 1816. ... we are now told that it is the duty of a paternal government not only to protect existing interests against extraordinary reverses which it has contributed to produce, but to create new manufactures and new pursuits, by the mere energy of legislation.”*<sup>1</sup>

- Representative George McDuffie of South Carolina (April 16, 1824 remarks to the House)

*“to interfere with any of the branches of human industry, by protecting one or more at the expense of the rest, will be productive of evil; and that such interference on the part of a republican government like ours, which guarantees to every man the liberty of pursuing such occupation as to him may seem the best, provided he does no injury to others, must be fraught with manifest injustice.”*<sup>2</sup>

- Memorial of the merchants and other citizens of Richmond, Virginia (November 24, 1820)

*“the object of the bill ... is to aid the industry of the country, by adjusting the proportions of the several branches to the state of the country ... it will not be denied that it is the duty of Government to exercise its powers in such manner as will be most conducive to the interests of the country ... the interference of Government to procure employment for the surplus population is required to increase the wealth of the nation.”*<sup>3</sup>

- Representative Silas Wood of New York (April 2, 1824 remarks to the House)

*“it is my decided conviction, that, in a few years, by a competition among our own manufacturers, we shall have the various articles that we may want, where we raise the raw materials, in great abundance, cheap, and of excellent quality. The good effects are already self-evident, in relation to our coarse cottons and woolens. We are furnished with the domestic fabric cheaper, and of far better, because of far more substantial quality, in consequence of the duty imposed upon the foreign importation.”*<sup>4</sup>

- Senator Richard Mentor Johnson of Kentucky (April 29, 1824 remarks to the Senate)

American economic nationalists, undeterred by the defeat of the Tariff of 1820, passed the protectionist Tariff of 1824. The new law provided discriminatory protection for a number of industries, clearly breaking from Dallas Report principles. Many nationalists went so far as to argue that protection should become a permanent component of trade policy, and that the United

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<sup>1</sup> 42 Annals of Cong. 2407 (1824).

<sup>2</sup> United States National Archives, Center for Legislative Archives, HR 16A-G10.2

<sup>3</sup> 42 Annals of Cong. 2074 (1824).

<sup>4</sup> 41 Annals of Cong. 598 (1824).

States should strive for economic self-sufficiency. The consequence of their successful effort was increasing section-based tensions over the course of the next decade.

Americans successfully recast the nation's self-image in the wake of the war and Panic. The United States survived these twin crises, and became increasingly self-assured in cultural, political, and even economic terms as the 1820s progressed. This process conspicuously manifested itself in the Monroe Doctrine in 1823.

Between 1820 and 1824 American industrialization accelerated. Table 6.1, divided into half decade increments, illustrates the dramatic "takeoff" of American manufactures beginning around 1810. Initially, war spurred development. From 1815 to 1820, the trend briefly slowed due to renewed foreign competition and the Panic of 1819. However, American industry boomed again as the effects of the Panic wore off and despite the failed 1820 tariff initiative.

**Table 6.1.** The Pace of Early American Industrialization

Period	Opening Davis Index	Closing Davis Index	Total Increase	% Growth	Multiplier from 1790
1790 to 1795	4.29	6.58	2.29	53.4%	x 1.53
1795 to 1800	6.58	7.27	.69	10.5%	x 1.69
1800 to 1805	7.27	8.70	1.43	19.7%	x 2.03
1805 to 1810	8.70	10.26	1.56	17.9%	x 2.39
1810 to 1815	10.26	13.56	3.30	32.2%	x 3.16
1815 to 1820	13.56	14.83	1.27	9.3%	x 3.46
1820 to 1825	14.83	19.89	5.06	34.1%	x 4.64

Source: Carter, et al., eds., *Historical Statistics*, 3:23. The above information was compiled by Joseph H. Davis and represents the best estimates to date from somewhat imperfect data of what the United States manufacturing output was during the nineteenth century. Note that the Davis Index uses base year 1849-1850 as 100.

Economic nationalists, inspired by growing national optimism, changed their overall message from protecting nascent American industry from Britain to making the United States a direct competitor, and causing them to abrogate the Dallas Report. American manufactures would be now supported by permanent trade barriers designed to replicate British policies.

The break from Dallas Report principles, coupled with an emerging industrial takeoff in New England, produced a bitter tariff showdown in 1824. The related debates dominated the Congressional docket from January through May. An all-consuming battle over trade policy produced close roll calls in both the House and Senate.

### **A Renewed Call for Protectionism**

The Tariff of 1824 culminated a four year effort by economic nationalists to restructure trade policy. Their efforts mixed several initiatives. Memorials to Congress were an important grass roots element. State legislatures appealed to the federal government for encouragement of manufactures. Finally, pro-tariff advocates were found within the federal government. James Monroe, in his second inaugural address in March 1821, noted that “imposts on foreign articles ... would, without imposing any serious burdens on the people, enhance the price of produce, promote our manufactures, and augment the revenue.”<sup>5</sup> The House Committee of Manufactures constantly promoted economic nationalism.

Memorialists inundated Congress with appeals for protection. In December 1819, inhabitants from Caldwell County in Kentucky requested that Congress “revise the tariff in such a mode as to revive our drooping manufactures, and afford effectual protection to the national industry.” They noted that an examination of “the policy of Europe, (that portion of the globe from whence sound lessons of political economy can be derived) ... [finds] that the system pursued in this country is in direct hostility with that of every wise nation there.” The memorialists criticized current policy, declaring that it was “in a great degree predicated on the specious idea of Adam Smith, “to buy goods where they can be had the cheapest.” It has had a fair trial, and its pernicious tendency has been clearly demonstrated.”<sup>6</sup>

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<sup>5</sup> Hunt, ed. *Inaugural Addresses*, 68.

<sup>6</sup> National Archives, HR 16A-G10.2, dated 20 December 1819.

Nationalists increasingly expressed confidence that the United States could become economically competitive in the international market. A petition from the western counties of Pennsylvania observed that “we are no longer a neutral nation busied in gathering the harvest of European conflicts. The state of the world has changed ... those who would limit the care of government to particular branches of Manufactures have taken a very imperfect survey of the wants and means of the country.” They concluded that the federal government needed to “protect the whole people, to foster every branch of the national industry, and especially to guard the infancy of our Manufactures from the baneful competition of foreign nations.”<sup>7</sup> The memorials included one in 1824 signed by famous early American industrialist Samuel Slater, “praying a revision of the tariff of duties, with a view to the encouragement of the manufacturers of the United States.”<sup>8</sup> A memorial from Pennsylvania farmers posited an opposite view, stating they were “firmly persuaded that the solid interests of the nation require, that an efficient protection be afforded to the manufacturing portion of our fellow citizens.”<sup>9</sup>

State legislatures weighed in on the tariff by instructing their legislative delegations. In February 1824, the Pennsylvania legislature notified its delegation to exert their influence, in establishing a tariff for the protection of our domestic manufactures and agricultural interests.”<sup>10</sup> Indiana’s legislature requested its Senate and House members to “unite in any effort that may be made to alter the tariff, so as to encourage the manufacturing of domestic fabrics.”<sup>11</sup> Ohio’s

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<sup>7</sup> National Archives, HR 16A-G10.2, dated 15 December 1819.

<sup>8</sup> 41 Annals of Cong. 88 (1824); Slater, as a thirty-five year old émigré to the United States, combined with Moses Brown in 1793 to open the first American textiles factory using Arkwright technology in Pawtucket, Rhode Island. The venture made Brown and Slater wealthy entrepreneurs.

<sup>9</sup> National Archives, HR 18A-F9.1, dated 5 January 1824

<sup>10</sup> 41 Annals of Cong. 207-208 (1824).

<sup>11</sup> *Ibid.*, 253.

general assembly followed suit, calling for “more effectual measures ... for the promotion and protection of American manufactures.”<sup>12</sup>

Free traders also submitted memorials to Congress. In late 1820, Richmond, Virginia merchants charged that “to interfere with any of the branches of human industry, by protecting one or more at the expense of the rest, will be productive of evil; and that such interference on the part of a republican government like ours, which guarantees to every man the liberty of pursuing such occupation as to him may seem the best, provided he does no injury to others, must be fraught with manifest injustice.”<sup>13</sup> A trio of prominent South Carolinians, William Preston, Thomas Cooper, and William DeSaussure offered a criticism of protective tariffs in 1823, maintaining that the “sole effect [of the tariff] will be to transfer capital from one stock to another – from a stock which the owner believes more profitable, to one he believes less so.”<sup>14</sup>

In 1824, captained by the House Speaker Clay and Representative John Tod of Pennsylvania, nationalists proposed a new tariff bill. The legislation largely ignored the foundational principles that Secretary Dallas had laid out just eight years before. The bill’s backers desired that domestic manufacturers, in all instances where a good could be produced in the United States, would receive sufficient tariff protection to ensure near-exclusive control of supply.

The nationalist initiative was presented to what had essentially become a one-party legislature. Republicans, increasingly referred to as Democratic-Republicans, dominated the Eighteenth Congress. A few token Federalists remained, but the party of Washington and Hamilton possessed scant influence, holding only about ten percent of the seats in both the

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<sup>12</sup> *Ibid.*, 418.

<sup>13</sup> National Archives, HR 16A-G10.2, dated 24 November 1820

<sup>14</sup> National Archives, HR 20A-D12.1; see also a memorial dated 9 January 1821 from Boston merchants (National Archives, HR 16A-G10.2), petition dated 23 November 1820 from Citizens of Petersburg, Virginia (National Archives, HR 16A-G10.2), and petition dated 24 November 1820 from a Convention of delegates representing the merchants and others, interested in Commerce, assembled at Philadelphia (National Archives HR 16A-G10.2).



Senate and House.<sup>15</sup> The new political reality was driven home in the 1824 presidential election, which featured three Democratic-Republican candidates and no Federalists.

This political situation, an interlude between the First and Second American party systems, was highly fluid. In 1824, due to salutary neglect by the executive branch and the temporary absence of a functioning two-party political system, the tariff issue became a more wide open affair. The result was a discourse that was more driven by ideology and economic self-interest than political party discipline.

### **The Tariff of 1824: The House Debates**

By 1824, nationalists were prepared to reintroduce a protective tariff bill to Congress. In anticipation, both pro and anti-tariff forces bombarded Congress with memorials during late 1823 and early 1824. On January 5, 1824, Representative Tod presented a draft bill to the House.<sup>16</sup>

The bill proposed significant tariff hikes on a wide array of goods, including key industries such as cotton, wool, and iron manufacturing. Cotton manufacturing would be protected by an ad valorem rate of 25%. Manufactured wool products were to receive an ad valorem rate of 30% until the middle of 1825, when the rate would be further increased to 33.33%. The proposed rate for raw wool was 25% through the middle of 1825, a 30% rate to the middle of 1827, and a 50% rate thereafter. Pig iron was subjected to a specific duty of \$1.12 per hundredweight.<sup>17</sup>

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<sup>15</sup> Carter, et al., eds., *Historical Statistics*, 5:200.

<sup>16</sup> 41 Annals of Cong. 35, 37, 42-43, 55, 79, 83, 88, 102, 107, 111, 113-114, 115, 119, 124, 128, 136-137, 141, 147, 151, 159, 161-162, 204, 206, 231, 233-234, 242, 255, 308, 314-315, 317, 351, 353, 375, 422, 430, 481, 532, 617, 793, 801, 803, 806-807, 814, 828-829, 842-843, 846, 875, 886, 889, 931, 959 (1823-1824). A John Moore (no relation) was a signatory to a 12 January 1824 memorial praying for increased duties on foreign iron.

<sup>17</sup> 41 Annals of Cong. 959-965 (1824). Note that the corresponding rates of protection in place, resulting from the Tariffs of 1816 and 1818, were as follows: Cotton manufactures at 25% ad valorem, wool manufactures at 25% ad valorem, and pig iron at \$.50 per hundredweight. The 1824 proposal also called for added duties for cotton imported from beyond the Cape of Good Hope, specifically targeting Indian cotton for additional duties.

Representative Tod motioned on February 5, 1824 to open debate and asserted that the bill followed previously established policy, only with increased rates. He maintained “that there was nothing here proposed that was new in principle – nothing but to extend and equalize a system which experience had shown to be most beneficial ... the most important duties proposed in the bill were for the purposes of protection, and were upon iron, hemp, lead, glass, wool, and woolen goods.”<sup>18</sup>

Henry Clay summarized why protection was necessary. He reasoned that “protection comes first in the order of nature; it is while a thing is in feeble infancy that it needs protection.” Great Britain had “prostrated us in 1816 and 1817, and they had the undisputed monopoly of our whole market until 1822, and they knew how to use it too.”<sup>19</sup> Some nationalists concluded that the new tariff was a logical extension of the policies established in 1816 and 1818. James Buchanan of Pennsylvania commented that “it was the settled policy of this country – we had advanced from one tariff to another on that principle, and we now had a third, but we should advance with cautious steps, and not injure the kindred interests of agriculture and commerce.”<sup>20</sup>

Although proponents asserted that the bill merely extended previous policy, they had actually significantly altered the doctrine of 1816. Protectionists now argued that permanent tariffs were necessary for American industries to compete internationally, moving well beyond the short-term protection for infant industries that had been advocated in the Dallas Report. Some nationalists even argued to exclude certain foreign manufactures from the American market, a sharp departure from previous arguments to simply make domestic manufacturers competitive with foreigners. Clay claimed that “the home market is first in order, and paramount in importance.

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<sup>18</sup> 41 Annals of Cong. 1471-1472 (1824) ; A harbinger of the upcoming debate’s tone came immediately after Tod introduced the bill when John Randolph sharply retorted, “Sufficient for the day is the evil thereof” – I hope the House will do no such thing,” 1469

<sup>19</sup> Ibid., 1549; see also further comments by Clay (KY), 1559 and Henry Martindale (NY), 1656.

<sup>20</sup> Ibid., 1565.

The object of the bill under consideration is to create this home market, and to lay the foundation for a genuine American policy.”<sup>21</sup> New Jersey’s George Holcombe added that “I would grant ample, and, as rapidly as circumstances would permit, exclusive protection.”<sup>22</sup> Tod candidly admitted that the bill’s intent was “to protect home industry by preventing those imports which destroy it.”<sup>23</sup>

Nationalists insisted that the United States should replicate European policies to become economically powerful. They identified Great Britain as an optimal trade policy benchmark. Clay attested that “Britain is herself the most striking illustration of the immense power of machinery. Upon what other principle can you account for the enormous wealth which she has accumulated, and which she annually produces?”<sup>24</sup> The House Speaker summed the British model’s benefits, stating “We have seen that, constructing her prosperity upon the solid foundation of her own protecting policy, it is unaffected by the vicissitudes of other States.”<sup>25</sup> Representative Tod stated that “It is notorious that the chief nations of Europe are wealthy and powerful almost exactly in proportion to the vigilance with which they exclude the products of foreign industry and cherish their own.”<sup>26</sup>

Pro-tariff supporters stressed the importance of the nation’s collective interests, and the need for groups and individuals to subordinate their self-interests for the good of the whole. Henry Martindale of New York called for the House to “come to this investigation with calmness and deliberation, and with a single eye to truth and the good of our country.” He interestingly

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<sup>21</sup> 42 Annals of Cong. 1966 (1824).

<sup>22</sup> *Ibid.*, 2388.

<sup>23</sup> 41 Annals of Cong. 1499 (1824); see also comments by Dudley Marvin (NY), 1527 and Henry Martindale (NY), 1645.

<sup>24</sup> 42 Annals of Cong. 1974 (1824).

<sup>25</sup> *Ibid.*, 1977.

<sup>26</sup> 41 Annals of Cong. 1497 (1824); see also further comments by John Tod (NY), 42 Annals of Cong. 2231 (1824); see also criticism by James Hamilton (SC), who maintained that Adam Smith’s free trade sentiments proved Clay’s and Tod’s statements false, 2178.

invoked the old British doctrine of virtual representation by exhorting fellow members to view the tariff bill as if “we had been elected *en masse* by a general ticket of the whole United States. The power of each is to affect every interest in the whole Republic.” Members must “look at the whole ... not to the present only, but to the future also ... taking a survey of the permanent, ever-during interest of the country.”<sup>27</sup>

National defense was also used to justify higher tariffs. An example was bar iron, where the proposed increase was from \$15.00 to \$22.50 per ton. James Buchanan favored the increase because “no nation can be perfectly independent, which depends upon foreign countries for its supply of iron. It is an article equally necessary in peace and in war. Without a plentiful supply of it, we cannot provide for the common defence.”<sup>28</sup> Rollin Mallery of Vermont added that “no article named in the bill was of more importance than that of iron ... it was essential to the safety and defence of the country.”<sup>29</sup>

Nationalists insisted that free trade principles were impractical in practice. Clay used Mathew Carey to illustrate the point. Carey had reported on Russia’s recent free trade experimentation, where they conceded that “events have proved that our agriculture and our commerce, as well as our manufacturing industry, are not only paralyzed, but brought to the brink of ruin” as a result of free trade.<sup>30</sup> Clay concluded the United States would meet a similar fate under *laissez-faire*. New Jersey’s George Holcombe added that “the unrestrictive system of modern economists, the dissolution of all tariffs ... is the real novelty of the day ... captivating in theory, but totally inapplicable to the present state and temper of the commercial world.”<sup>31</sup>

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<sup>27</sup> 41 Annals of Cong. 1631 (1824); see also comments by Silas Wright (NY), 42 Annals of Cong. 2069, 2071, 2074 (1824); see also comments by George Holcombe (NJ), 2382-2383, 2385.

<sup>28</sup> 42 Annals of Cong. 1709-1710 (1824).

<sup>29</sup> *Ibid.*, 1712.

<sup>30</sup> *Ibid.*, 1991-1992.

<sup>31</sup> *Ibid.*, 2395; see also further comments by Holcombe (NJ), 2389, 2392.

Interestingly, support for protection was not confined to manufacturing interests. On March 17, the Agriculture Committee published a short report, stating that “your committee consider the increase of duties on many foreign articles now imported in to the United States, would promote the agricultural prosperity of the nation.” The report noted that “the home market ... is at all times to be preferred to the foreign market, when the reward of agricultural pursuits is equal – the former is less precarious than the latter.”<sup>32</sup> This line of thought argued that promoting manufactures “trickled” ancillary benefits to other economic spheres.

Free traders presented their own series of arguments for rejecting the bill. These arguments covered a wide array of specifics, but shared the common thread that heavy protection catered to economic special interests. They were highly concerned that concentrations of economic power threatened to disrupt the republican values of American political culture.

Tariff opponents charged that the tariff redistributed wealth from common citizens to a very small group of manufacturing capitalists. James Hamilton of South Carolina pointed out that “to lay a duty on the imported article, was to put a bounty on the domestic article.”<sup>33</sup> Fellow South Carolinian John Carter declared that “This is a policy unbecoming of the destinies of our rising and spreading Republic. I do not ... wish to see this country, by this kind of political quackery, enervating and destroying all the wholesome and natural energies of her physical constitution ... such artificial stimulants as the present only suit the decline of life.”<sup>34</sup>

Other free traders feared possible domestic monopolies. Churchill Cambreleng, of New York, noted that “the design of this measure is to prohibit the importation of our manufactured supplies – to confer on our own capitalists the exclusive privilege of supplying the country ... the

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<sup>32</sup> Ibid., 1858; see also a petition from Pennsylvania farmers requesting higher tariffs. They complained that poor economic conditions were driving manufacturing workers into farming, creating unwanted competition and oversupply of agricultural products, National Archives, HR 28A-F9.1.

<sup>33</sup> 41 Annals of Cong. 1500 (1824).

<sup>34</sup> 42 Annals of Cong. 2169 (1824); see also comments by Andrew Govan (SC), 2322.

system contemplated, is to be fashioned after the British model – the bill is framed for the avowed purpose of granting to our capitalists the exclusive privilege of supplying our country with manufactures to the value of millions.”<sup>35</sup>

Opponents specifically criticized the tariff bill for straying from Dallas Report criterion. George McDuffie, of South Carolina, noted “the protection of these establishments, which originated in the war, is not the object of the present bill. It does not even assume the modesty of pretension. Doctrines are now advanced, which never entered into the conception of those who advocated the tariff of 1816.” He detected a major shift in the protectionist argument, where “we are now told that it is the duty of a paternal government not only to protect existing interests against extraordinary reverses which it has contributed to produce, but to create new manufactures and new pursuits, by the mere energy of legislation.”<sup>36</sup>

Free traders decried the efforts by economic “special interests” to use protective policy to enhance profits in industries that never would have qualified under Dallas principles. One example was Clay’s efforts on behalf of Kentucky’s whiskey producers. McDuffie pointed out that whiskey distilling “was not one requiring extraordinary machinery or capital to carry it on, nor was it one which was necessary to encourage in a national view, such as the manufacture of woolens ... whiskey ... was an article which could not be brought within the principle on which domestic manufactures rightfully claim protection.”<sup>37</sup> Another example involved the Kentucky delegation’s proposal to protect “cotton bagging,” used to collect cotton from the fields. These bags were made from hemp, indigenous to Kentucky. David Trimble explained that protection was necessary because foreign bagging prices were so low, explaining that “during the war, Russia exported vast quantities of hemp, and England, with an extensive navy then in actual

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<sup>35</sup> 41 Annals of Cong. 1568-1569 (1824).

<sup>36</sup> 42 Annals of Cong. 2407 (1824).

<sup>37</sup> 41 Annals of Cong. 1496 (1824); see also comments by Robert Garnett (VA), 1513.

service had use for it. When peace came, a great quantity of the article remained on hand, and it was sold by the merchants at a low price.”<sup>38</sup> Free traders scoffed at the proposal, judging it as a brazen effort to prop a non-competitive industry. George McDuffie wondered where these new demands ended, reasoning that “hemp requires less protection than almost any other article; its cultivation requires little either of capital or machinery, and, if this article must be protected, that argument will go to every other article of human consumption.”<sup>39</sup>

Critics noted that the 1824 tariff proposal contained many theoretical inconsistencies because so many economic interests were trying further their own agendas. Representative Arthur Smith of Virginia pointed out that import duties on raw materials ran contrary to the original principles of economic nationalism, remarking that “Alexander Hamilton ... always enforced the idea, that the raw materials should come into this country clear of duty.” He lamented that “the new political economists of the North, have found out that Mr. Hamilton was wrong,” and observed that iron manufacturers argued for high duties on raw materials while cotton manufacturers sought low duties for their raw materials. Smith enquired, “why, then, is not Mr. Hamilton’s doctrine, as regards iron, true likewise?”<sup>40</sup>

Economic liberals pointed out that business enterprise entailed varying risks and rewards, and that attempts to immunize manufacturing from natural economic laws were fruitless. McDuffie noted that this fact was well understood within the agricultural sphere. He pointed out that cotton “had been a subject of the most disastrous speculation. A vast amount of capital had been vested in it when it was thirty cents a pound; now it was twelve cents.”<sup>41</sup>

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<sup>38</sup> *Ibid.*, 1520; see also comments by Robert Henry (KY), 1524.

<sup>39</sup> *Ibid.*, 1566; see also comments by James Hamilton (SC), 1518.

<sup>40</sup> 42 *Annals of Cong.* 1729 (1824).

<sup>41</sup> 41 *Annals of Cong.* 1677 (1824).

Tariff critics alleged that excessive protectionism undermined republicanism. They maintained that high tariffs and industrialization would import the social ills of Manchester and Leeds. Samuel Foot of Connecticut sarcastically declared that “I will not believe that the zealous admirers of British policy; the warm advocates of this wonderful tariff bill – this patent medicine, which is to cure all diseases, really intended to hazard the operation of this “nostrum” as a mere experiment upon the healthy, youthful, and vigorous Constitution of our infant country.”<sup>42</sup> He added that “The tariff of 1816, avowedly supported on the same principle, of giving a spring to domestic industry, and encouraging our infant manufactures, as the present tariff bill, has been in full operation for seven years; and if the picture of distress so ably drawn by the gentlemen, be a fair representation, we should suppose that gentlemen would be more disposed to abandon it, than to increase the evils, by extending this system of American policy.”<sup>43</sup>

The 1824 debates featured increased sectional-based rhetoric on the tariff. Regional interests had been a minor factor since 1789, but in 1824 they became more prominent, undoubtedly exacerbated by the recent Missouri Crisis. For example, Rollin Mallery of Vermont complained that Eastern states and commercial interests were unfairly penalized by recent tariffs. He asked, “What equivalent have the Eastern people had for the almost total annihilation of the West India trade? The West have been gainers, while the East have been comparatively the losers.”<sup>44</sup> In another instance, Churchill Cambreleng of New York noted that “we had been told, that the agricultural interest of the South had been protected by duties, and that we must now legislate on

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<sup>42</sup> 42 Annals of Cong. 2299 (1824).

<sup>43</sup> Ibid., 2302; see also comments by Christopher Rankin (MS), 2004.

<sup>44</sup> 41 Annals of Cong. 1491 (1824).



the basis of reciprocity. This argument, according to the unhappy fashion of the times, is designed to excite our sectional prejudices and jealousies.”<sup>45</sup>

Nationalists downplayed these tensions, stressing the need to subordinate sectional interests to national interests. Henry Clay acknowledged that “as to direct benefit, it is probable that the North and East will enjoy the largest share. But the West and South will also participate in them. Philadelphia, Baltimore, and Richmond, will divide with the Northern capitalists the business of manufacturing.”<sup>46</sup> Clay insisted that “the East and West must co-operate, and the South must submit and contribute.”<sup>47</sup> The Kentuckian appealed for cooperation from “the South – to the high-minded, generous, and patriotic South – with which I have so often cooperated, in attempting to sustain the honor and to vindicate the rights of the country.”<sup>48</sup> Clay suggested that the South’s best remedy would be to embrace manufacturing. Some Southern congressmen contended that slavery rendered the region incapable of industrializing, but Clay responded that “the circumstance alluded to may disqualify the South from engaging in every branch of manufacturing as largely as other quarters of the Union, but to some branches of it that part of our population is well adapted.”<sup>49</sup>

New England proved to be a conflicted region in the midst of the sectional tensions. Although the American industrial take off was starting in the region, substantial commercial special interests remained. Arthur Livermore, of New Hampshire, noted this fact when he

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<sup>45</sup> 41 Annals of Cong. 1520 (1824); see comment by Gideon Tomlinson (CT), 1506; see comment by Andrew Stewart (PA), 42 Annals of Cong. 2282; see comment by Daniel Cook (NY), 41 Annals of Cong. 1545, and response by George McDuffie (SC), 1552, and cotton trade statistics offered by James Buchanan (PA), 42 Annals of Cong. 1725; see comment by Churchill Cambreleng (NY), 41 Annals of Cong. 1570; see comments by Alfred Cuthbert (GA), 1566; see comments by Philip Barbour (VA), 42 Annals of Cong. 1916; see comments by Robert Garnett (VA), 41 Annals of Cong. 1685, 1689, 42 Annals of Cong. 2083.

<sup>46</sup> 42 Annals of Cong. 1999-2000 (1824).

<sup>47</sup> 41 Annals of Cong. 1550 (1824).

<sup>48</sup> 42 Annals of Cong. 2000 (1824; see comments by George Martindale (NY), 2000.

<sup>49</sup> *Ibid.*, 1978; see comments by Christopher Rankin (MS), suggesting that the South was not ready for industrialization, 2012.

declared that “between three and four millions have been invested in manufactures in the State of New Hampshire – and yet, not one of these manufactures has urged a duty on woolen or cotton.”<sup>50</sup> He proceeded to explain that the tariff would be detrimental because it would benefit larger institutions at the expense of smaller ones. Mississippi’s Christopher Rankin declared “New England is the only manufacturing part of this country, and yet her people do not demand this tariff at your hands.”<sup>51</sup>

The House closed its debate on April 16, but not before two powerful anti-tariff speeches were delivered.<sup>52</sup> Daniel Webster spoke on behalf of commercial interests, while John Randolph spoke on behalf of “old republican” ideas. These odd political bedfellows delivered powerful indictments against protection.

Webster’s comments were motivated by his political ties to commercial interests. He characterized Clay’s “American Policy” as an imitation of Europe, and further noted that Continental sentiments were shifting towards *laissez-faire*.<sup>53</sup> Webster related that “unless I have greatly mistaken the prevailing sentiment in the councils of England, it grows every day more favorable to the diminution of restrictions, and to the wisdom of leaving much ... to the enterprise and the discretion of individuals.”<sup>54</sup>

Webster attacked the notion that the nation was experiencing economic distress, an argument that nationalists had made. He unapologetically maintained that “in respect to the New England States, with the condition of which I am of course, most acquainted, the present appears to me to be a period of very general prosperity ... so far from acquiescing in these opinions, I believe there has been no period in which the general prosperity was better secured, or rested on a more

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<sup>50</sup> Ibid., 1745.

<sup>51</sup> Ibid., 2012.

<sup>52</sup> Ibid., 2427-2429.

<sup>53</sup> Ibid., 2028.

<sup>54</sup> Ibid., 2037.

solid foundation.”<sup>55</sup> Webster expressed concerns over the tariff’s consequences, noting that “agriculture, commerce, and navigation, are all branches of the same domestic industry; they all furnish employment for American capital and American labor. And when the question is, whether new duties shall be laid, for the purpose of giving further encouragement to particular manufactures, every reasonable man must ask himself, both, whether the proposed new encouragement be necessary, and, whether it can be given without injustice to other branches of industry.”<sup>56</sup> He hinted that special interests motivated the tariff issue, stating that “it becomes us at least to understand the real posture of the question. Let us not suppose that we are beginning the protection of manufactures, by duties on imports. What we are asked to do is, to render those duties much higher.”<sup>57</sup>

On April 15, John Randolph assaulted protectionist principles. He asked, “When are we to have enough of this Tariff question? In 1816 it was supposed to be settled.”<sup>58</sup> Randolph insisted that governmental should refrain from intruding into political economy. He maintained that “All policy is very suspicious ... that sacrifices the interest of any part of the community to the ideal good of the whole.” The consequences of the current bill would “reduce all the country south and east of Mason and Dixon’s line, the whites as well as the blacks, to the condition of Helots.”<sup>59</sup> Randolph complained that the tariff benefitted special interests. He recalled that the “tariff of 1816 was followed by that of 1819-20, and that by this measure of 1823-24, I cannot believe that we are, at any time hereafter, long to be exempt from the demands of these sturdy

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<sup>55</sup> Ibid., 2028-2029.

<sup>56</sup> Ibid., 2035.

<sup>57</sup> Ibid., 2055.

<sup>58</sup> Ibid., 2359.

<sup>59</sup> Ibid., 2360-2361.

beggars, who will take no denial. Every concession does but render every fresh demand and new concessions more easy.”<sup>60</sup>

Randolph argued that free trade was a preferable alternative. He noted that “I have heard the names of Say, Ganilh, Adam Smith, and Ricardo, pronounced, not only in terms, but in a tone, of sneering contempt, as visionary theorists, destitute of practical wisdom, and the whole clan of Scotch and Quarterly reviewers lugged in to boot.” In response to these nationalist criticisms, Randolph offered that “I leave Adam Smith to the simplicity, and majesty, and strength of his own native genius which has canonized his name ... we have been told that the economists are right in theory and wrong in practice; which is as much to say, that two bodies occupy at the same time the same space; for it is equally impracticable to right in theory and wrong in practice.”<sup>61</sup>

During the ten week period that the House used to consider the tariff opponents frequently tried to roll back duties on specific items. Representative Timothy Fuller, of Massachusetts, attempted to revoke the duties imposed on bar iron imports, highlighting that the iron manufacturing lobby had an insatiable appetite for protection. He noted that “in 1816 ... the duty on iron was fixed at nine dollars a ton. In 1818 ... they prevailed upon Congress to increase it to fifteen dollars, with which, it was understood, they were then satisfied. Notwithstanding this great concession, they have, for four years past, have been urging the imposition of a still higher duty, and seem hardly contented even with that now proposed.”<sup>62</sup> Thomas Cobb of Georgia even proposed reducing tariffs on cotton and cotton bagging. All of these motions failed.<sup>63</sup>

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<sup>60</sup> Ibid., 2372.

<sup>61</sup> Ibid., 2373-2374.

<sup>62</sup> Ibid.; see comments by Samuel Breck (PA), 1736.

<sup>63</sup> 41 Annals of Cong. 1512, 1515, 1544 (1824), 42 Annals of Cong. 1738, 2209, 2236 (1824).

On Friday, April 16, the House passed the Tariff of 1824 by a vote of 107 ayes to 102 nays.<sup>64</sup> The voting patterns illustrated a deeply divided country on the trade issue.<sup>65</sup> The bill then passed on to the Senate.

### **The Tariff of 1824: The Senate Debates**

The Senate received the House bill on April 20 and opened debate on April 28. A key element in the debate, as had been the case in the House, was the long-term, and perhaps even permanent, nature of tariff policy under the proposed legislation. Nationalists tried to minimize the issue, but opponents sharply criticized what they contended was an encroaching reach of trade policy, and its commensurate increase in the power of the federal government. Free traders tactically attempted to chip away at the duty schedules in the House version to minimize its impact.

The initial battle involved rates on iron. Senator Elijah Mills of Massachusetts, representing commercial interests, moved to strike the duties on iron. Iron was a major raw material for the shipbuilding industry, and his commercial constituents were keenly interested in keeping their material costs as low as possible. New Jersey's Mahlan Dickerson defended the duties, maintaining that they were essential for national defense. He lamented that "during the late war, we manufactured four-fifths of all the iron consumed in the United States. In 1817, we manufactured two-thirds; and in 1823, one-third of all consumed."<sup>66</sup> The amendment narrowly passed by a vote of 24 to 23.<sup>67</sup> The Senate then considered a motion by Massachusetts merchant

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<sup>64</sup> 42 Annals of Cong. 2429-2430 (1824).

<sup>65</sup> John Randolph's reaction, in a letter, was to write, "when Jesus therefore had received the vinegar, He said, 'it is finished,' and He bowed His head and gave up His ghost!" David Johnson, *John Randolph of Roanoke* (Baton Rouge: Louisiana State University Press, 2012), 200.

<sup>66</sup> 41 Annals of Cong. 585 (1824)

<sup>67</sup> *Ibid.*, 591-592.

James Lloyd to strike out the duty on hemp. Again, by a vote of 24 to 23, the duty was stricken.<sup>68</sup>

Senate protectionists argued that the United States needed to emulate European trade policies to build the nation's economic strength, just as their House brethren had done. Dickerson declared that "some radical change in our system of agriculture, manufactures, and commerce, is required ... proved by the distressed condition of all those branches of industry. To apply the remedy is the business of Congress ... this is now well understood in most of the Governments of Europe."<sup>69</sup> He insisted that manufactures "require great capital and great skill – they have not proceeded in any country without the aid and protection of the Government. In England, where they have arrived at the greatest perfection, they have received the greatest protection ... the capitalist must be enabled to derive a reasonable profit upon his investment ... let the capitalist in this country have the same advantages in the investment of his money, in all branches of industry, as they have in England."<sup>70</sup>

Nationalists suggested that protection could actually lead to increased competition, ultimately benefitting consumers. Richard Mentor Johnson, of Kentucky, cited anecdotal evidence as to the expected benefits. He stated that "it is my decided conviction, that, in a few years, by a competition among our own manufacturers, we shall have the various articles that we may want, where we raise the raw materials, in great abundance, cheap, and of excellent quality. The good effects are already self-evident, in relation to our coarse cottons and woolens. We are furnished with the domestic fabric cheaper, and of far better, because of far more substantial quality, in consequence of the duty imposed upon the foreign importation."<sup>71</sup>

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<sup>68</sup> Ibid., 615-616; *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=L000378>.

<sup>69</sup> 41 Annals of Cong. 693 (1824); see comments by Richard Mentor Johnson (KY), 596.

<sup>70</sup> Ibid., 698.

<sup>71</sup> Ibid., 598.

Tariff opponents argued against the bill on the grounds that protection, and a larger and more vigorous federal government, threatened republicanism. John Taylor of Caroline, author of *Tyranny Unmasked*, argued that the tariff equated to preferential economic treatment of some citizens at the expense of others. He insisted that “the object for which our fathers fought was to free their children from tyranny and oppressive taxation ... this protection .... [is] merely a tribute to capitalists.”<sup>72</sup> Taylor accused protectionists of making sophist arguments, observing that “A curious pair of reasons is urged in defence of the protecting tariff project. It is often said that competition will destroy prosperity, and also that it will produce it. In support of the first assertion, the manufacturing factories loudly urge the prosperity they enjoyed in periods of war and embargo. In support of the second, they insist, that competition among themselves in time produce national prosperity, by recreating the violated justice of a fair principle.”<sup>73</sup> He added that a protectionism was “calculated to raise up a pecuniary aristocracy, at the expense of labor and industry ... we believe that this aristocratical pecuniary combination will constitute a more oppressive government here than in England.”<sup>74</sup>

Free traders expressed concerns that the new tariff created a closed domestic market, posing the danger of monopoly. South Carolina’s Robert Hayne complained that “The principle contained in this bill is, that the importation of all foreign goods must be prohibited, which we are capable of making at home.”<sup>75</sup> He recounted the original principles of the Dallas Report: “the argument then was, that in the infancy of any manufacture, it was necessary to give some assistance, to enable it to grow and acquire strength, but that such support would be soon become [un]necessary, and those establishments might then be safely left to the exertion of their own

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<sup>72</sup> Ibid., 601.

<sup>73</sup> Ibid., 683.

<sup>74</sup> Ibid., 676-677; see comments by John Elliott (GA), 663.

<sup>75</sup> Ibid., 618.

energies.” Hayne contended that the new bill was very different, and very dangerous, declaring that “the mask has now been thrown off. The new principle of *progressive duties* has been introduced in this bill, and this amounts to a distinct acknowledgment that the object now is, not *competition*, but *prohibition*.”<sup>76</sup>

Hayne contrasted the impact of governmental economic encouragement with *laissez faire*. He rejected the notion “that Government is capable of regulating industry, better than individuals – a position which is wholly untenable. From the nature of things, labor and capital should be permitted to seek their own employment, under the guidance, entirely, of individual prudence and sagacity.” He commented that the nature of “Government, from the very elevation of its position, is necessarily incapable of taking that close view of the subject, and obtaining that accurate knowledge of details, indispensable to a judicious determination of the relative advantages of different pursuits, in any community.”<sup>77</sup>

The South Carolina senator protested that the bill amounted to economic redistribution by legislative fiat. He reasoned that “in attempting to gratify the wishes of interested individuals, we are legislating in the dark, distributing the national funds by a species of State lottery – scattering abroad bounties and premiums of unknown amount.” Hayne predicted the consequences of the tariff bill, warning that “we are opening Pandora’s box of political evils ... this system of regulating, by law, the private pursuits of men, or what amounts to the same thing, passing laws for increasing the profits of certain employments, and lessening the profits of others.”<sup>78</sup>

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<sup>76</sup> Ibid., 620-621. Note that in the second quotation of this three quote string, the Annals actually states “necessary.” The context of Hayne’s speech as a whole and of this specific sequence of sentences make it clear that the Annals’ writer made a transcription error and that Haynes intended the word “unnecessary” to be used in this speech.

<sup>77</sup> Ibid., 622.

<sup>78</sup> Ibid., 623.



The South Carolina senator concluded that manufactures had already proved their economic viability; what they asked for with the tariff amounted to an economic handout. He noted that “Mr. Slater ... who came to this country upwards of thirty years ago ... almost immediately commenced the manufacture of cotton cloth on a small scale, and gradually enlarged his business, until he became the owner of an extensive manufacturing establishment ... He is now the proprietor of several large establishments ... lives in an elegant mansion ... and is supposed to be worth, clear of the world, half a million of dollars.” Hayne asked, “Will the gentlemen, after this, tell us that the cotton manufactures were brought into existence by the act of 1816, and must have perished without that act; or will they venture to assert that skill and prudence, aided by adequate capital, cannot now render profitable a pursuit which has, for thirty years past, handsomely the labors of this worthy man?”<sup>79</sup>

Tariff opponents also charged that manufactures sought to benefit through policies that harmed both agriculture and commerce. Virginia’s James Barbour concluded that “This bill ... was to let blood from two of the great interests of the country, in order to circulate it in the veins of the other interest.” He decried the “injustice of building up a particular class – a special aristocracy – by the imposition of heavy taxes upon the community at large.”<sup>80</sup>

The Senate devoted two weeks to the tariff bill, and revisions were inserted that moderated the overall rates and breadth of the House version. On May 13 the Senate approved the amended version of the bill by a vote of 25 to 21.<sup>81</sup> The House and Senate, in committee, quickly agreed to a final version along Senate lines, and the Tariff of 1824 became law.

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<sup>79</sup> Ibid., 650-651; see comments by Samuel Smith (MD), 692.

<sup>80</sup> Ibid., 659.

<sup>81</sup> Ibid., 743-744.

### **The Tariff of 1824: A Voting Analysis**

The tariff roll call in 1824 reveals a highly fractured political situation whether assessed by region, party affiliation, or presidential nominee preference. There were no clear factors uniting the pro and anti-tariff voting blocs. Elements of party discipline, which characterized trade policy debates from 1789 through the Madison administration, were absent.

The results demonstrated significant diversity by region. Certain regions, such as the Atlantic states, strongly supported the tariff bill. Both the Chesapeake and Southern regions strongly opposed the legislation. Virginia and North Carolina, with their sizable Quaker factions, were near unanimous. A significant change, however, occurred in the votes from Maryland, South Carolina, and Georgia. These states, which produced split votes in 1816, 1818, and 1820, significantly changed their pattern in 1824, as virtually all senators and representatives opposed the bill. The rhetoric emanating from Southern legislators like McDuffie and even Northern legislators like Cambreleng suggests that some politicians who had supported American manufactures in 1816 for nationalist reasons consistent with Dallas doctrine were becoming uncomfortable with the increasingly permanent and deepening features of new tariff proposals. The terms of the 1824 bill sharply departed from the nationalist arguments made in 1816.

New England, despite its growing commitment to manufacturing since the founding of Waltham, responded to the bill in mixed fashion. A majority of House members opposed the legislation, while most senators favored it. The various New England state delegations generally voted as blocs, with Connecticut, Rhode Island and Vermont in support and Maine, Massachusetts, and New Hampshire opposed. This varied response highlighted the ongoing shift in the region for commerce to manufacturing.

The Western states viewed the tariff more favorably. Northwestern states unanimously supported protection. Southwestern states delivered a split voting pattern, partially influenced by parochial economic self-interests. The upper states of Kentucky and Missouri strongly supported the bill, Tennessee was mixed, and Alabama, Louisiana, and Mississippi were decidedly opposed. This pattern aligned with their respective investments in manufactures (and hemp, in the case of Kentucky), evidenced by 1820 census data.

Although regional blocs such as the Atlantic, Chesapeake, South and Northwest produced strong support for or against the Tariff of 1824, the voting patterns in New England and the Southwest demonstrated that there was more to the debate than simple blind allegiance to a slavery based South or an industrializing North. In New England's case, merchants opposed protection since high tariff rates negatively impacted their economic interests. Certain Southwestern states, despite slavery being an integral part of their economy and culture, foresaw potential future rewards from protectionism.

Table 6.2 summarizes the final House and Senate votes by region. Although the overall votes on the 1824 tariff bill were closely divided, voting patterns within specific geographical regions were often times sharply skewed in one direction. New England and the Southwest, as noted, are exceptions.

**Table 6.2.** Ratification Vote of the Tariff of 1824 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, NH, RI, VT)	15	23	9	3
Atlantic	(DE, NJ, NY, PA)	57	9	5	3
Chesapeake	(MD, VA)	4	27	0	3
South	(GA, NC, SC)	0	29	0	6
Northwest	(IL, IN, OH)	17	0	5	0
Southwest	(AL, KY, LA, MS, TN)	<u>14</u>	<u>14</u>	<u>6</u>	<u>6</u>
Totals		107	102	25	21

Source: 41 Annals of Cong. 743-744 (1824), 42 Annals of Cong. 2429-2430 (1824).

Political parties were also divided on the tariff issue. Table 6.3 categorizes the House and Senate votes by party affiliation. The results affirm the divided nature, and weaker central leadership, that characterized the respective political parties by 1824.

**Table 6.3.** Ratification Vote of the Tariff of 1824 by Party Affiliation

Party	House Ayes	House Nays	Senate Ayes	Senate Nays
Democratic-Republican	96	89	25	16
Federalist	<u>11</u>	<u>13</u>	<u>0</u>	<u>5</u>
Totals	107	102	25	21

Source: 41 Annals of Cong. 743-744 (1824), 42 Annals of Cong. 2429-2430 (1824).

The strong party discipline of the Jefferson and Madison years was gone by 1824. President Monroe did not exert personal influence in regards to trade policy, and consequently Democratic-Republicans were divided in the House, and a significant number of party senators opposed the legislation as well. The Federalists, a small portion of the overall vote, could have nonetheless determined the outcome of the bill if they had displayed a semblance of party discipline. They didn't, and split their House votes. Federalist senators opposed the bill in unison, but their lack of numbers failed to influence the upper chamber outcome.

The 1824 presidential election featured three Democratic-Republican candidates. John Quincy Adams of Massachusetts, William Crawford of Georgia, and Andrew Jackson of Tennessee, offered differing viewpoints on trade policy. Quincy Adams was clearly an economic nationalist. Crawford, in contrast, harbored deep free trade sympathies. Both men served in Monroe's cabinet, Adams as Secretary of State, and Crawford as Secretary of Treasury, so neither of them cast a vote on the tariff bill. Jackson, who generally took an ambiguous stance on trade policy, voted for the 1824 bill. Table 6.4 categorizes the 1824 votes based upon the political allegiance of each senator or representative to the three major candidates:

**Table 6.4.** Ratification Vote of the Tariff of 1824 by Presidential Candidate Preference

Party	House Ayes	House Nays	Senate Ayes	Senate Nays
Adams	53	32	8	8
Crawford	10	45	11	8
Jackson	<u>44</u>	<u>25</u>	<u>6</u>	<u>5</u>
Totals	107	102	25	21

Source: 41 Annals of Cong. 743-744 (1824), 42 Annals of Cong. 2429-2430 (1824).

When the 1824 vote is dissected by presidential candidate affiliation, the correlation between a respective candidate's view on trade policy and that of their legislative followers generally held true, particularly in the House. Overall, Quincy Adams and Jackson supporters generally favored the tariff, while Crawford supporters opposed. However, each candidate's coalitions contained sizable minority factions, producing results far less cohesive than had been the case during the Jeffersonian Experiment. The Senate votes were even less consistent. Ironically, the heaviest support for the bill came from the Crawford faction.

The voting patterns in 1824 suggest that, for the first time since the Founding, economic self-interest held greater sway than ideology. In part, this can be explained by the growing weakness of political party discipline. With that restraint removed, legislators were temporarily free to approach the trade policy issue solely with their constituent's economic interests in mind. The Northeast's "take off" created new economic constituencies favoring protection for American manufacturing. The Western states, potential beneficiaries from industrialization, also viewed nationalist policies in a favorable light. The South, least touched by industrialization, and a remaining bastion of Old Republicanism, saw no immediate benefit to industrialization and bristled at the prospect of subsidizing the process through governmental encouragement..

### **Nationalist Trade Policy and American Trade: 1816 to 1824**

Nationalists maintained that the Tariff of 1816's goal was to stem the tide of British imports. The Tariff of 1818 reinforced trade barriers for the key industries of cloth production and iron

manufacturing. Did the Tariff of 1816, as amended, significantly impact American economic trade? Figure 6.1 shows that the average tariff rate on total imports fell in the immediate aftermath of the war, but rose again starting in 1818. The average rate continued its rise during the remainder of the Monroe presidency.

It appears that nationalists correctly asserted in 1818 that the original legislation only slightly stemmed the flow of imports. Increases in cotton, wool, and iron duties in 1818 succeeded in providing greater protection for American manufactures. As a result, from 1818 through 1824 average tariff rates substantially rose, causing “trade openness” to decline.



**Figure 6.1.** American Foreign Trade, 1800 to 1824 (3 year rolling average)

Source: Carter, et al., eds., *Historical Statistics*, 1:30, 3:23.

Beginning in the mid-1810s, legislators finally raised tariff rates high enough to impact the volumes of American international trade. Tariff rates and trade openness from the end of the War in 1815 through 1824 shows an inverse relationship, where increases in average rates dampened international trade volumes. This contrasts with the patterns from 1790 through 1815, where changes in tariff rates produced less correlated results. During the 1790s, increases in tariff rates coincided with faster levels of trade growth, suggesting that the national economy was

largely unaffected by trade policy. Between 1800 and 1815, the relationship between overall rates and trade was clouded by the impact of the Jeffersonian Experiment.

The largest short-term beneficiaries of the protectionist initiatives from 1816 through 1824 were cotton, wool, and iron manufactures. Tariff proponents advocated specific duties on behalf of these goods to provide “infant industry” protection. Tench Coxe specifically identified these important industries in his *Statement of the Arts and Manufactures* only a few years before.

The empirical data suggests that economic nationalists succeeded in their goal to afford protection to certain American industries. The average tariff rate increased throughout the Monroe presidency, and the consequence was a reduction in overall trade. It is noteworthy to observe that although imports and exports both declined between 1818 and 1824, imports dropped more significantly. Imports totaled \$122 million in 1818, the fourth highest annual level to date in American history. By 1824, they shrank to \$72 million, decreasing 41%. During the corresponding time frame exports fell from a record level of \$74 million to \$51 million, a drop of only 31%.<sup>82</sup>

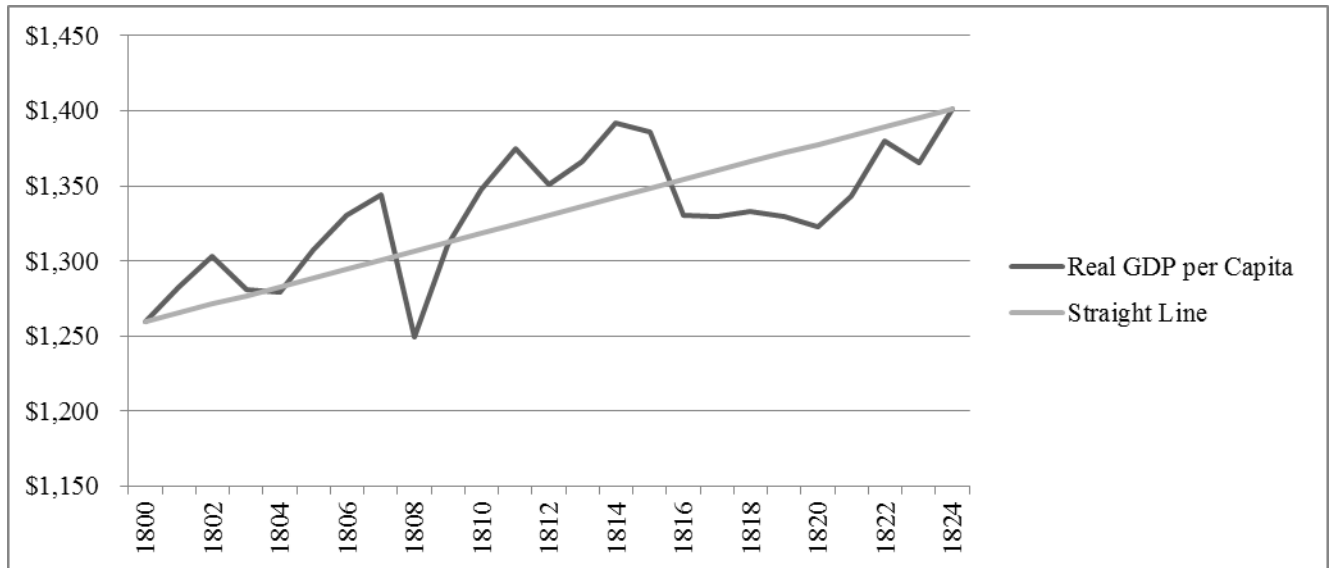
Nationalists maintained that protective policy would foster growth of manufactures and provide symbiotic benefits to agriculture and commerce. The evidence is ambiguous to this point. One of the variables making a conclusive assessment challenging is the Panic of 1819, which disrupted the national economy soon after protective trade policies were established. In 1814, real GDP per capita (1996 dollars) peaked at an all-time high of \$1,392. This benchmark wasn't achieved again until 1824, when real per capita GDP reached \$1,401.<sup>83</sup> Figure 6.2 illustrates real GDP per capita on a three year rolling average. These results highlight the

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<sup>82</sup> Carter, et al., eds., *Historical Statistics*, 5:498. The highest import year up to this time had been \$147 million in 1816 in the immediate aftermath of the War. The other two higher years were in 1806 and 1807, just prior to Jefferson's trade restriction initiatives. The largest three year for American exports to date occurred in the 1816-1818 time-frame, immediately after hostilities had ended.

<sup>83</sup> *Ibid.*, 5:498.

economic damage brought about by war, increased imports, and the Panic. From 1814 to 1820 the national economy contracted, and economic growth did not reappear until 1821.



**Figure 6.2.** American GDP per Capita, 1800 to 1824 (in real dollars = 1996) (3 year rolling average)

Source: Carter, et al., eds., *Historical Statistics*, 5:498, 510; “Measuring Worth,” <http://www.measuringworth.org/usgdp/>.

Free traders contended that economic improvement after the Panic was a natural event following the original economic bubble, instead of arising from national trade policy initiatives. Representative Mark Alexander, in 1820, had attributed the current economic woes to a business cycle, which created “A general depression and distress [that] affected all classes of the community, the result, as conceived, of commercial over-action, and the operations of that system of paper currency.”<sup>84</sup> He foresaw prosperity only where “the singular freedom of circulation which had been permitted to the productions of ... industry and soil.”<sup>85</sup> In the end, neither side could empirically prove their respective arguments. The cause and effect relationship between trade policy and the economic recovery from the Panic of 1819 was speculative, at best.

<sup>84</sup> 35 Annals of Cong. 2018 (1820).

<sup>85</sup> *Ibid.*, 2031.



## Conclusions

Economic nationalists successfully altered American trade policy when they passed the Tariff of 1824, which rejected Dallas Report doctrine and established a highly protective tariff. In 1816, Americans tended to view trade from an external perspective, fearing British threats to infant American industries. By 1824, the context of the debates changed, as confident nationalists sought to make the United States economically self-sufficient and a competitor in world economic markets by aggressively supporting American industrialization through trade policy.

After military hostilities ended in 1815, Great Britain and the United States engaged in a final economic skirmish during the years following the Treaty of Ghent. American manufacturing, stimulated by the Jeffersonian Experiment and the War, was endangered. Manufacturing interests lobbied Congress for assistance, which passed the Tariffs of 1816 and 1818.

The nationalist push for long-term and/or permanent tariffs, coupled with the uneven chronology of American industrialization, ignited passions over the trade policy issue. Industrialization impacted the debates because, consistent with Rostow's observations, initial national industrialization is typically confined to a particular geographic region. Early American industrialization in the Northeast during the 1820s divided the economic interests of the North and South.

The situation was further exacerbated by the Panic of 1819 and the Missouri Crisis. In place of the unified nationalist outlook in 1816, where all regions of the country viewed Great Britain as a common threat to national security, the issue shifted towards the interests of the different economic spheres, and particularly manufactures. Manufactures were particularly hard hit by the Panic because of the heavy proportion of fixed-cost capital required in their financial structure.

The factories and equipment that supported industrialization produced prodigious profits when running at full capacity, but exposed their investors to ruin when volumes precipitously dropped. The Missouri Crisis resurrected the dormant issue of slavery, and slaveholder defenses of their economic self-interests and “property” spilled over into the tariff debates, though nary a word on slavery was directly uttered during the debates.

Politics played an important role in the transition of trade policy voting patterns from party to geography based. The greatest contributing factor was the breakdown of the First Party System. Up to 1820, the Republican Party, except for the renegade Quid faction, maintained a strong degree of solidarity on trade policy. The demise of the Federalist Party during Monroe’s final term left the Democratic-Republicans as the only national political party. Their new found dominance, however, served to weaken party discipline, as their “big tent” now included wide spectrums of political views, including on trade policy.<sup>86</sup> Democratic-Republicans separated into competing factions favoring either nationalism or laissez-faire, which, because of the nature of industrialization in the 1820s, increasingly took on a sectional appearance.

American trade policy, though impacted by changing economic interests, shared continuity with the past in regards to ideas. During the late 1810s and early 1820s, writers such as Mathew Carey and John Taylor of Caroline added to the foundational principles espoused during the Federalist Era. Their increasingly sophisticated arguments began creating distinctively American approaches to trade policy that diverged from contemporaneous European thinkers. Their respective writings, though reaching different conclusions, considered the issues of republican virtue, national economic strength, and promoting general economic growth.

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<sup>86</sup> Michael F. Holt, *Political Parties and American Political Development from the Age of Jackson to the Age of Lincoln* (Baton Rouge: Louisiana State University Press, 1992), 33-34.

A significant delineating factor between the nationalists and free traders was their impression of international trade in general. Free traders embraced the concept that international exchange was a mutually beneficial proposition, while Henry Clay viewed it as a threat to American sovereignty. He stated that “We have seen that an exclusive dependence upon the foreign market must lead to still severer distress, to impoverishment, to ruin. We must then change somewhat our course.” Clay’s solution involved a proactive federal government, and he stated that “it is the solemn duty of Government to apply a remedy to the evils which afflict our country ... and that remedy consists in modifying our foreign policy, and in adapting a genuine American system.”<sup>87</sup>

The schism between nationalists and free traders centered on the question of whether all American manufactures, or just “infant industries,” should receive protection. The Waltham factory serves as an example of why protection became controversial during the Monroe years. The factory was the best managed factory in the United States. In 1817, three years after its founding, it already paid its investors a 12.5% annual return. Annual dividends over the following years ranged between 16% and 26%. Sales in 1818 totaled \$125,000, leveled in 1819 at \$124,000, and boomed in 1820 to \$261,000, despite the Panic of 1819. By 1822, investors recuperated all of their initial equity capital.<sup>88</sup>

Nationalists, seeing Waltham as an example of the future prospects for American manufacturing, exerted political pressure to create a trade policy that encouraged the manufactures sector. Jonathon J. Pincus’s *Pressure Groups & Politics in Antebellum Tariffs* studied special interest groups and their impact in shaping of the Tariff of 1824. Pincus concluded that “protectionists benefitted until the 1830s from being members of a successful

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<sup>87</sup> 42 Annals of Cong. 1970, 1978 (1824).

<sup>88</sup> Ware, *Early New England Cotton Manufacture*, 66, 70.

coalition of interests, a coalition that had sectional lines – Northern manufacturers and Westerners whose voices were strengthened by westward movements of population.”<sup>89</sup> His thesis, however, leaves room for ideological influence as well. He states that “Congressional response to pressure was conditioned by belief in the efficacy of protection and its proper place in the development and defense of the nation. The effectiveness of a particular industry’s claim depended systematically on the tension, exacerbated by sectional interests, between alleged national benefits and obvious “local” advantages to specific individuals, establishments, or districts.”<sup>90</sup> Pincus observed that American infant industries were particularly adept at influencing national policy, because they frequently concentrated inside small geographic areas and/or were largely capitalized by limited numbers of investors.<sup>91</sup> The many memorials arriving in Washington between 1816 and 1824 confirms that American manufacturers were well organized at using the political process to further their economic interests.

The nationalist successes from 1816 to 1824 sparked an increasingly active political reaction by those who viewed Waltham’s profits as proof that protection was unnecessary. The Quids, an isolated minority during the first two decades of the nineteenth century, were now joined by a growing segment of Americans who viewed special economic privileges to manufactures, and the growing wealth of factory owners, with great suspicion. They argued that Dallas Report principles should remain established trade policy, and that only temporary protection be afforded to infant industries.

In 1824, six months after the Tariff of 1824 passed, John Quincy Adams defeated Andrew Jackson for the presidency. An election rematch in 1828 seemed likely after charges of a

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<sup>89</sup> Jonathan J. Pincus, *Pressure Groups & Politics in Antebellum Tariffs* (New York: Columbia University Press, 1977), 180.

<sup>90</sup> *Ibid.*, 169.

<sup>91</sup> *Ibid.*, 171.

“Corrupt Bargain” between Adams and Henry Clay. Though Jackson had supported the 1824 tariff, he was no trade ideologue, and his ardent support for democratic ideals made him a palatable bedfellow for most free traders. Eventually, a “nationalist” faction, led by Quincy Adams and Clay, a “democratic” faction, led by Andrew Jackson and Martin Van Buren, split the party up. One key demarcating issue between these two factions would be trade policy.

## CHAPTER 7 – NATIONALISM AND CRISIS: THE TARIFF OF 1828

*“I will not permit myself to believe that the Presidency of the United States will ever be bought and sold, by this system of bounties and prohibitions. But I must say that there are certain quarters of this Union in which, if a candidate for the Presidency were to come forward with the Harrisburg tariff in his hand, nothing could resist his pretensions ... the most immaculate patriot and profound statesman in the nation could hold no competition with him, if he should refuse to grant this new species of imperial donative.”<sup>1</sup>*

- Representative George McDuffie of South Carolina (April 19, 1828 remarks to the House)

*“we possess more abundant resources than any other People on earth, for the attainment of national wealth and power, no one denies ... How are we to render these resources available? I answer, by an extension of the American System of protection – by an efficient tariff. By giving adequate protection to domestic manufactures. By providing a home market for our raw materials; and by giving employment to the surplus labor and capital of the country.”<sup>2</sup>*

- Representative Samuel Anderson of Pennsylvania (March 27, 1828 remarks to the House)

*“to interfere with any of the branches of human industry, by protecting one or more at the expense of the rest, will be productive of evil; and that such interference on the part of a republican government like ours, which guarantees to every man the liberty of pursuing such occupation as to him may seem the best, provided he does no injury to others, must be fraught with manifest injustice.”<sup>3</sup>*

- Memorial of the merchants and other citizens of Richmond, Virginia and its vicinity (November 24, 1820)

The Tariff of 1824 abrogated the Dallas Doctrine consensus and established a nationalist trade policy. In 1828, the tariff issue was revisited, and a drastic increase in tariff rates and protection generated a disastrous result, creating a national crisis that dominated American politics from 1828 through 1833. The Tariff of 1828 was the byproduct of political ambition, and it badly deepened the sectional wounds festering from the trade policy battles of 1820 and 1824. The measure was unpopular throughout the South, and its passage triggered an unfortunate course of events in the most politically radical southern state, South Carolina.

Neither economic nationalists nor free traders were fully satisfied with the 1824 act. Nationalists concluded the tariff inadequately protected American manufactures. The wool

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<sup>1</sup> 6 Reg. Deb. 2405 (1828).

<sup>2</sup> Ibid., 2034.

<sup>3</sup> National Archives, HR 16A-G10.2

lobby was particularly dissatisfied almost immediately after the bill passed. Free traders were equally unhappy over the dramatic increase in tariff rates. Activists on both sides anticipated that another political showdown over the tariff issue was likely in the near term.

John Quincy Adams' victory over Andrew Jackson in the 1824 presidential election was decided in the House of Representatives after a vitriolic campaign where Adams received fewer popular votes. It was immediately apparent that a presidential election rematch was likely in four years. These forecasts proved correct, and Jackson eventually bested Quincy Adams in the bitterly fought 1828 presidential election.

Between 1824 and 1828, nationalists persistently agitated for increased protection, leading to the Harrisburg Convention in 1827. Their attempt to increase the tariff on wool in 1827 failed, but a new bill in 1828 proposing a steep and broad-based increase to the tariff narrowly passed, raising duties to unprecedented levels. Like the Tariff of 1824, the vote highly correlated to region. The lack of a two-party system created an environment that made internal fractures over issues such as trade policy inside Democratic-Republican ranks more likely.

The Tariff of 1828, (the "Tariff of Abominations"), owed its existence more to politics than trade policy. It increased tariff rates on a host of manufactured goods, as well as for a number of raw materials. The protection of raw materials not only broke with Dallas Report principles, but also with Alexander Hamilton's *Report on Manufactures*. Nationalists and free traders were even more dissatisfied with the new 1828 act than they had been with its predecessor.

Free traders quickly criticized the new tariff. John C. Calhoun anonymously penned the *South Carolina Exposition and Protest* in late 1828, which sharply rebuked the new law. The *Exposition* drew inspiration from the Virginia and Kentucky resolutions of the 1790s in arguing for minority rights. Tariff opponents initially hoped that Jackson's election signaled a shift in

trade policy to their benefit. Jackson opposed many issues involving a stronger and more active federal government, demonstrated by his opposition to the national bank and veto of federally sponsored infrastructure improvements. Free traders were ultimately disappointed, as Jackson proved ambivalent on tariffs. His vote for the Tariff of 1824 as a Tennessee senator served notice that he was no free trade ideologue. The tariff simmered throughout Jackson's first term. As tensions mounted, volcanic political pressures, particularly in South Carolina, threatened to erupt into a national crisis.<sup>4</sup>

### **The Harrisburg Convention – 1827**

During the mid-1820s, protectionist efforts to influence public policy developed well beyond the flood of identically worded memorials that flooded Congress from throughout the late 1810s and early 1820s.<sup>5</sup> Frank W. Taussig, the leading tariff historian at the turn to the twentieth-century, ascribed increased protectionist sentiment to popular backlash against the “great collapse in the prices of land and of agricultural products, which had been much inflated during the years from 1815 to 1818.”<sup>6</sup> The shock of the Panic of 1819 led many individuals in the manufactures and agricultural spheres to view protection as an economic elixir for their financial woes. Even though the American economy was largely recovered by 1822, nationalists argued that protection could prevent future panics.<sup>7</sup>

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<sup>4</sup> William W. Freehling, *Prelude to Civil War: The Nullification Controversy in South Carolina, 1816-1836* (New York: Oxford University Press, 1965), 143-144. Southern reaction was strongest in South Carolina, but that state's political leaders were unable to establish a broad Southern coalition to resist the new tariff, see Freehling, *The Road to Disunion: Secessionists at Bay, 1776-1854* (New York: Oxford University Press, 1990), 213-220. Freehling argues that South Carolina represented, as the result of a number of unique influences, a “geographically concentrated ... revolutionary fringe group.”

<sup>5</sup> The Senate and House collections in the National Archives contain numerous examples of the exact same petition arriving from widely dispersed communities that were manually signed by local constituents. This strong evidence demonstrates the degree to which special economic interest groups corresponded and cooperated with one another during this time period. Most of these organized petitions were from the North, but covered a wide array of interests, ranging from cotton and wool manufactures, to eyeglass makers.

<sup>6</sup> Taussig, *Tariff History*, 69.

<sup>7</sup> The economic recovery can be demonstrated by the number of cotton factories opened in New England, New Jersey, and New York. Between 1816 and 1820, an average of five factories opened per annum. The average



Concurrently, the United States experienced significant technological changes, which increased the volume and reach of commercial activity between the nation's regions. The most notable example was the Erie Canal, opened in late 1825, which lowered the transportation costs for goods between New York City and Buffalo from about \$100 to less than \$10 per ton. Three years later, the first tracks of the Baltimore and Ohio railroad were laid.<sup>8</sup>

In early 1827, nationalists introduced a tariff bill to amend the Tariff of 1824 by establishing added protection for woolens manufactures. The effort resembled the Tariff of 1818, which had amended the Tariff of 1816 to benefit the iron, cotton and woolens industries. On February 10, 1827, the bill passed the House of Representatives by a vote of 106 to 95. The effort, however, bogged down in the Senate, and on February 23 the bill was effectively killed when a vote of 20 to 20 was broken by Vice-President Calhoun's negative tiebreaker. Table 7.1 summarizes the voting on the 1827 woolens tariff bill:

**Table 7.1.** Ratification Vote of the Tariff of 1827 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, ME, NH, RI, VT)	34	5	10	0
Atlantic	(DE, NJ, NY, PA)	50	13	4	2
Chesapeake	(MD, VA)	3	23	0	4
South	(GA, NC, SC)	0	27	0	6
Northwest	(IL, IN, OH)	14	4	5	1
Southwest	(AL, KY, LA, MO, MS, TN)	<u>5</u>	<u>23</u>	<u>1</u>	<u>7</u>
Totals		106	95	20	20

Source: 4 Reg. Deb. 496, 1099 (1827). Note that the Senate "aye" votes (pro-tariff) were actually cast as "nays" on the vote to lay the bill on the table and vice-versa.

Although the final voting tally featured a sharp North versus South pattern there were some variations from previous roll calls because the legislation featured a single industry. The

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openings increased to fourteen per year between 1821 and 1824 and to thirty per year between 1825 and 1828, see Clive Day, "The Early Development of the American Cotton Manufacture," *The Quarterly Journal of Economics* Volume 39, No. 1 (May, 1925): 452.

<sup>8</sup> Charles M. Wiltse, *John C. Calhoun: Nationalist, 1782-1828* (New York: The Bobbs-Merrill Company, Inc., 1944), 365-366.

Atlantic States fell short of near-unanimity for protective principles. New England, typically featuring mixed responses due to the competing spheres of manufactures and commerce, enthusiastically supported the measure.

A few months later, on July 30, 1827, prominent nationalists convened in Pennsylvania's capital city of Harrisburg to advance protectionist efforts. The event's chief organizers included Hezekiah Niles of Baltimore, Mathew Carey of Philadelphia, and Pennsylvania lawyer/politician Charles Ingersoll.<sup>9</sup> The gathering attracted almost one hundred individuals representing thirteen states. Prominent attendees included Gideon Welles and Samuel Colt of Connecticut, as well as Bezaleel Taft and Boston Associates member Abbott Lawrence from Massachusetts. National politicians at Harrisburg included House members William S. Young of Kentucky, Ichabod Bartlett of New Hampshire, Rollin Mallory of Vermont and Chauncey Forward of Pennsylvania, as well as Ohio governor Jeremiah Morrow and Senators Samuel Bell of New Hampshire and Asher Robbins of Rhode Island.<sup>10</sup>

Despite its national significance, the convention's roster was decidedly Northern. The Mid-Atlantic States of New York, Pennsylvania, New Jersey and Delaware were represented, as well as five of the six New England states, Maine being the only exception. The Chesapeake states of Virginia and Maryland and the western states of Ohio and Kentucky sent delegations. New York and Pennsylvania, at the forefront of the protectionist movement, contributed thirty-three of the convention's delegates.<sup>11</sup> Nonetheless, eleven states, mostly Southern, were not represented.

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<sup>9</sup> Robert Remini, *Henry Clay: Statesman for the Union* (New York: W. W. Norton & Company, 1991), 329.

<sup>10</sup> *Proceedings of the General Convention of Agriculturalists and Manufacturers, and Others Friendly to the Encouragement and Support of the Domestic Industry of the United States* (Harrisburg, Pennsylvania, 1827), 27-28.

<sup>11</sup> W. Kesler Jackson, "Robbers and Incendiaries: Protectionism Organizes at the Harrisburg Convention of 1827," *Libertarian Papers* 2, 21 (2010), 8-9. ONLINE AT: [libertarianpapers.org](http://libertarianpapers.org); Even at this early juncture, the Jacksonian faction was attempting to undermine the Harrisburg proceedings. Pennsylvania representatives, John Tod and Henry Baldwin, staunch nationalists, did not attend due to political pressures. A Jacksonian inspired meeting in Harrodsburg, Kentucky charged that "the design of this convention at Harrisburg is not to advance American industry, but to organize a political club under the direction of the administration ... to operate upon the

The Convention's stated goal was to lend support to the woolen industry. Woolens, finished goods produced from raw wool, hadn't received significant protection from the Tariff of 1824, and were now threatened by overcapacity and foreign competition.<sup>12</sup> The Convention's memorial to Congress called increased duties on a variety of goods, but woolens were particularly singled out. Woolens would benefit from an ad valorem increase from 33.33% to 40% immediately, to be followed by further increases to 50%. The memorial also proposed minimum tariff levels for a series of tranches, creating tariff "floors," effectively placing high duties on cheaper brands of woolen goods.<sup>13</sup> The minimum value concept particularly galled slaveholders, who clothed their slaves with lower grade woolens. In addition, the Convention proposed protection for domestic grains used for the production of spirits to attract western support. These duties would block the importation of Caribbean molasses, so that American whiskey producers could capture an increased share of a lucrative market.<sup>14</sup>

Nationalists described a bleak economic situation to justify their proposals. They reported that "the growers and manufacturers of Wool are suffering great pecuniary loss and ruinous embarrassment, from the pressure of circumstances which threatens the general destruction of interests whose annual product, in sheep and manufactures of wool, would amount to the sum of fifty millions of dollars ... the committee cannot believe that these circumstances are of a temporary character." The Harrisburg delegates noted that a "vast capital, exceeding eighty, and perhaps amounting to one hundred millions of dollars ... will be exceedingly diminished and lost to the national wealth, and a very numerous population dependent on these branches of national

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election in the state of Pennsylvania," Mary W. M. Hargreaves, *The Presidency of John Quincy Adams* (Lawrence: University Press of Kansas, 1985), 274-275.

<sup>12</sup>Taussig, *Tariff History*, 78-79.

<sup>13</sup>Ibid., 83.

<sup>14</sup>Ibid., 71.

industry will be dispersed, if protection, by the national legislature shall be longer delayed.”<sup>15</sup> They warned that the entire industry was exposed to collapse if additional protection were not quickly passed by Congress.

The Harrisburg memorial also considered the ideological elements of economic nationalism, and reiterated many past arguments for protection. The writers stated that “man, in this republic ... ordains and establishes rules for himself; and improvements of his condition are followed by unalloyed benefits ... his aim is private prosperity and public honor, an exaltation of his own character, and an advancement of the power and glory of his country.” It also noted that Great Britain had recently tightened its corn laws, establishing higher trade barriers against American food products, reminding its readers that Britain ignored free trade. The report recounted that “Adam Smith ... presents many sound propositions and matters of deep interest ... and his countrymen ... recommend his doctrines for our adoption, but will not permit them to influence their own actions. They restrict trade in every way that it will bear ... the principle of protecting the domestic industry has been adopted in most nations. ... we offer experience in opposition to theory – practice against speculation.”<sup>16</sup>

The convention delegates also proposed that higher tariffs benefitted consumers through lowered prices of goods. Protectionists argued that their policies created greater competition because they created a large pool of domestic producers. They pointed to “the effect of competition in the manufacture of coarse cottons, of window glass, nails and other articles, which are now furnished, to the consumer at lower prices than when they were imported from England under the old tariff.”<sup>17</sup>

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<sup>15</sup> *Proceedings of the General Convention*, 15, 21.

<sup>16</sup> *Ibid.*, 22, 33, 31, 39.

<sup>17</sup> *Ibid.*, 14.

Harrisburg attendees acknowledged the charged sectional attitudes towards the tariff. They mentioned that “it is exceedingly to be regretted that ... matters of a sectional character should have been introduced into discussions on the principle of protection.” The nationalists argued that protection should not be a regional based matter, stating that “However common it is at the present time, (and we exceedingly regret it,) to draw “geographic lines,” we would avoid them; but it is difficult, if not impossible.” They reiterated the symbiotic benefits of protection, noting that “there is as much a community of interest between the cotton and sugar planters of the south and the manufacturers of the east, as there is between the growers of grain in the west and tire makers of iron within the state of Pennsylvania – supplying, subsisting, and supporting one another, through the medium of many thousand channels, diffusing substantial benefits, and perpetually adding to the common stock of the national prosperity and individual wealth.”<sup>18</sup>

Though Harrisburg was convened to support protection, political overtones were present throughout the gathering. Significant numbers of “Jackson men” attended, wishing to create the impression that their faction was protection friendly. Contemporaries took note. John Rowan of Kentucky, a nationalist and “Adams man,” asked in 1828 on the Senate floor “what was the origin of the Harrisburg Convention? And who created the excitement? It was known that the sole objective of that convention was not manufactures. It was, although people do not like to speak out, got up for political purposes ... how many Jackson men were in that convention?”<sup>19</sup>

The Harrisburg gathering occurred as the United States was beginning to realize the benefits of industrialization. The nation embarked on a transportation revolution, and canals, steamboats, and railroads increasingly connected the regional economies to one another. In 1824, the Supreme Court decision in *Gibbons v. Ogden*, argued by plaintiff’s attorney Daniel Webster,

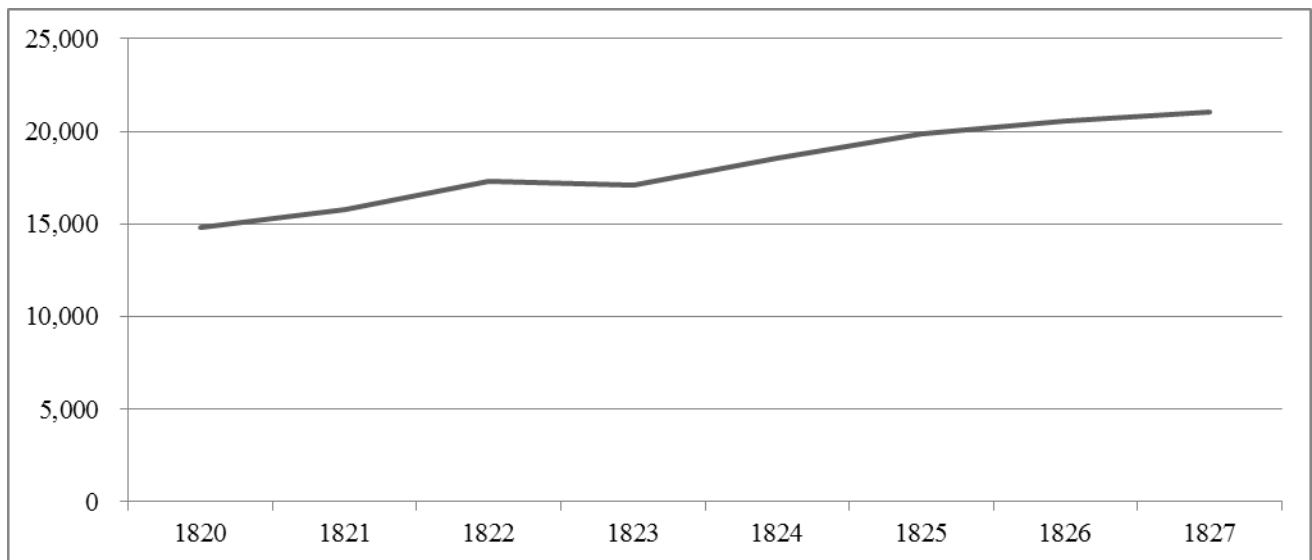
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<sup>18</sup> Ibid., 35-36, 38.

<sup>19</sup> 5 Reg. Deb. 748-749 (1828).

successfully established a legal precedent supporting open competition on the nation's waterways. One year later, New York State opened the Erie Canal, a project eight years in the making. By 1830, steamboats dominated riparian transportation and an initial seventy-three miles of operating railroad track had been laid. Railroads rapidly expanded over the following decade, reaching 3,328 miles of track by 1840.<sup>20</sup>

American producers now reached distant markets from the improved transportation links, spurring the American industrialization process. Figure 7.1 illustrates the rapid growth rate American manufactures achieved between 1820 and 1827, when American industrial output grew 42% between the Panic of 1819 and the Harrisburg Convention:



**Figure 7.1.** American Industrial Production, 1820-1827)

Source: Carter, et al., eds., *Historical Statistics*, 3:23-24. The above information was compiled by Joseph H. Davis and represents the best estimates to date from somewhat imperfect data of what the United States manufacturing output was during the nineteenth century. Note that the Davis Index uses base year 1849-1850 as 100,000.

The growth rates immediately preceding and following the Tariff of 1824 were similar, at 6.25% per annum on a straight-line basis between 1820 and 1824, and 5.67% annually between 1824

<sup>20</sup> Taylor, *Transportation Revolution*, 33-34, 58-59, 75-76, 79.

and 1827.<sup>21</sup> However, while American manufactures experienced strong expansion between 1820 and 1822, growth abruptly stopped in 1823-1824, which was undoubtedly noticed by business entrepreneurs. In the wake of the Tariff of 1824, American manufacturing output increased again, and economic nationalists linked the tariff bill to renewed industrial expansion.

Harrisburg's importance is validated by the frequency that it was referred to in subsequent Congressional debates. Representative Andrew Stewart of Pennsylvania considered it as the genesis of the 1828 tariff bill, stating "the Harrisburg Convention and American System ... represented the feelings and sentiments of a large majority of the people in this nation ... the contest was no longer between federalists and democrats, but between the friends and enemies of domestic manufactures." He also acknowledged that the tariff remained a decidedly sectional issue. Stewart noted that "a majority of the States of this Union have pledged themselves, by solemn legislative resolves, to support the one side or the other. On the one side, we see most of the Southern States, Virginia, North Carolina, South Carolina, Georgia, Alabama, Tennessee, etc. On the other side, we see New Hampshire, Vermont, Connecticut, Massachusetts, Rhode Island, New York, Pennsylvania, Delaware, Ohio, Indiana etc."<sup>22</sup>

Southerners viewed Harrisburg as a blatant attempt by Northern manufacturers to exact economic subsidies from them through federal legislation. Representative Wiley Thompson of Georgia described the subsequent tariff bill as a conspiracy, asking, "was it to effect this object that the Janus-faced monster, that mongrel tournament, called the Harrisburg Convention, was got up and exhibited in Pennsylvania during the last summer? Is it to effect this object that the nation is now insulted, by manufacturing proprietors and their agents ... making attempts to

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<sup>21</sup> Carter, et al., eds., *Historical Statistics*, 3:23.

<sup>22</sup> 6 Reg. Deb. 2232 (1828).

electioneer with members of Congress in favor of adoption of the proposed system?”<sup>23</sup> Thompson concluded that higher tariffs failed to benefit his constituents, and added to the costs of goods throughout the South. He concluded the tariff was a one-sided situation, brought about by unjust political majorities in Congress.

### **The Tariff of 1828**

By 1828, the deep political fissures within the Democrat-Republican Party were permanent. Shortly after Andrew Jackson resigned his Senate seat in October 1824, the Tennessee state legislature endorsed his candidacy in the next presidential election, setting in motion a partisan political tone for the next four years.<sup>24</sup> Animosity between administration supporters and opponents became severe enough that Henry Clay and John Randolph duelled in spring 1826. Fortunately, Clay and Randolph proved poor shots, and bloodshed was averted.<sup>25</sup>

As the 1828 election loomed, Henry Clay and Daniel Webster organized a political alliance to oppose Jackson’s upcoming presidential bid. A key principle bonding the newly emerging Clay-Webster coalition was support for Clay’s American System, which incorporated the protectionist principle as one of its key tenets.<sup>26</sup> Clay believed that American System supporters represented an important constituency in the upcoming election. Representative James Buchanan, of Pennsylvania, recited a memorial from the Pennsylvania state legislature identifying the key tenets of the American System:

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<sup>23</sup> Ibid., 2446.

<sup>24</sup> David S. Heidler and Jeanne T. Heidler, *Henry Clay, the Essential American* (New York: Random House, 2010), 192. M. J. Heale concluded that, although the Whig Party did not become formalized until the 1830s, the 1828 election “marked the advent of what had become known as the second American party system,” Heale, *The Presidential Quest* (New York: Longman, 1982), 65.

<sup>25</sup> Heidler and Heidler, *Henry Clay*, 196-199. Randolph’s sense of honor was fragile. In 1816, he challenged Daniel Webster to a duel, although it never took place, Remini, *Daniel Webster: The Man and His Time* (New York: W. W. Norton & Company, 1997), 139-140. If Randolph had any marksmanship, two-thirds of the Senate’s Great Triumvirate may have had their great careers prematurely ended, and American history altered.

<sup>26</sup> Remini, *Clay*, 324; Remini also suggests that Clay’s efforts were to create an “American Party,” that held “the American System as the cred of the movement, this was Federalism reasserted on the national level,” Remini, *Martin Van Buren and the Making of the Democratic Party* (New York: Columbia University Press, 1959), 148.



The legislature of Pennsylvania have given us what, in my opinion, is the correct version of the American System. They have declared that the best interests of our country demand that every possible exertion should be made to procure the passage of an act of Congress, imposing such duties as will enable our manufacturers to enter into fair competition with foreign manufacturers, and protect the farmer, the growers of hemp and wool, and the distiller of spirits from domestic materials, against foreign competition. The people of Pennsylvania do not ask for such a tariff as would secure to any one class, or to any section of the country, a monopoly. They want a system of protection which will extend its blessings, as well as its burdens, as equally as possible over every part of the Union; to be uniform in its operation upon the rich as well as the poor.<sup>27</sup>

The American System, including the tariff, was a key demarcation point between pro-administration and anti-administration camps. Nationalist Adams and Clay supporters tended to support it, while Jackson supporters rejected it in favor of laissez-faire. However, Jacksonian Democrats were willing to appear nationalist on the tariff in 1828. Jackson's "democrats" used ideological flexibility and better organization to win a number of key congressional, state and local elections after 1824, including a House majority in the Twentieth Congress that convened in December 1827.<sup>28</sup>

By this point in time, the American System had been intellectually codified through the writings of Friedrich List. James Hamilton of South Carolina, a free trader, ruefully observed the irony of List's influence upon economic nationalists and the trade policy debate when he stated that "we appear to have imported a Professor from Germany, in absolute violation of the doctrines of the American System, to lecture upon its lessons – to convict Adam Smith of stupidity, and Ricardo of error."<sup>29</sup> In 1827, List authored *Outlines of American Political Economy*, a manifesto for economic nationalism. *Outlines* consisted of twelve letters that List wrote to Charles Ingersoll of Philadelphia, who had been an instrumental participant at the Harrisburg Convention. List had arrived in the United States in 1825, leaving his native

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<sup>27</sup> 6 Reg. Deb. 2092 (1828).

<sup>28</sup> Remini, *Clay*, 328.

<sup>29</sup> 6 Reg. Deb. 2432 (1828).

Kingdom of Wuerttemberg in voluntary exile after serving six months in prison for revolutionary activities, and was soon introduced to Ingersoll, Mathew Carey, Henry Clay and John Quincy Adams. List readily assimilated into American society, settling in Pennsylvania and gaining citizenship by 1830.<sup>30</sup>

List challenged Adam Smith's free trade doctrines. He stated that "I confine my exertions ... solely to the refutation of the theory of Adam Smith and Company, the fundamental errors of which have not yet been understood so clearly as they ought to be ... unfortunately, the founders of this dangerous doctrine were men of great minds, whose talents enabled them to give their castles in the air the appearance of strong, well-founded buildings." List added that "I believe it to be the duty of the General Convention at Harrisburg, not only to support the interests of the wool growers and wool manufacturers, but to lay the axe to the root of the tree, by declaring the system of Adam Smith and Company to be erroneous – by declaring war against it on the part of the American System."<sup>31</sup>

The German author argued that Smith's major error consisted of a glaring omission in considering the nature of political economy. *Outlines* identified three areas relating to principles of political economy: Individual Economy, National Economy, and the Economy of Mankind. He maintained that while Smith addressed the first and third items, he had ignored the issues of National Economy. List noted that "If the whole globe were united by a union like the 24 states of North America, free trade would indeed be quite as natural and beneficial as it is now in the Union."<sup>32</sup> But free trade was not practical in a world of competing national interests. List concluded that in a synergistic fashion, "national wealth is increased and secured by national

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<sup>30</sup> Friedrich List, *Outlines of American Political Economy in Twelve Letters to Charles D. Ingersoll*. eds. Michael Liebig and Lyndon H. LaRouche, Jr. (Wiesbaden, Germany: Dr. Bottiger Verlags-GmbH, 1996), 159, 161, 165.

<sup>31</sup> List, *Outlines of American Political Economy*, 17-19.

<sup>32</sup> *Ibid.*, 21.

power, as national power is increased and secured by national wealth. Its leading principles are therefore not only economical, but political too.”<sup>33</sup>

List also rejected Smith and Ricardo’s ideas of specialization by way of comparative advantage. Instead, he advocated a well-diversified national economy in order to achieve national economic independence. He noted that “so are power and wealth, in equal parts, benefitted by a harmonious state of agriculture, commerce, and manufactures within the limits of the country.”<sup>34</sup>

The key tool to achieve wise national economic policy was an active government. List declared that “Government, sir, has not only the right, but it is its duty, to promote everything which may increase the wealth and power of the nation, if this object cannot be effected by individuals.” In the case of the United States, the national goal “has for its object to bring into harmony the three branches of industry, without which no national industry can attain perfection.”<sup>35</sup> *Outlines* argued that protection was a necessary part of this strategy.

List’s forceful arguments, combined with the deepening political animosity between the Jackson and Adams-Clay factions, contributed to making the tariff issue, and particularly the case for protection, an explosive political issue in the 1828 election. Andrew Jackson voted for the 1824 tariff as a Tennessee senator, but his followers hoped to completely neutralize the tariff issue, a potential asset to the Adams camp, by appearing to be pro-tariff to Northerners and anti-tariff to Southerners. The strategy, however, carried the risk of deepening regional antagonisms. South Carolina, in particular, was becoming a hotbed of tariff opposition.<sup>36</sup>

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<sup>33</sup> Ibid., 31.

<sup>34</sup> Ibid., 31.

<sup>35</sup> Ibid., 33, 37.

<sup>36</sup> Forbes, *Missouri Compromise*, 12. Forbes notes that “Van Buren needlessly inflamed and alienated the southern gentry by orchestrating passage of a draconian tariff designed to harm Adams and help Jackson.” James H. Read, *Majority Rule versus Consensus: The Political Thought of John C. Calhoun* (Lawrence: University Press of Kansas, 2009), 60. Read, describing John Calhoun, states that his shift from a nationalist position to radical opposition to the

This political strategy was spearheaded by Senator Martin Van Buren of New York, who became the driving force behind the Tariff of 1828. Van Buren's goal was to aid Jackson's cause in New York, Pennsylvania, New Jersey, Ohio, and Kentucky, states where nationalist sentiments ran strong. The Committee on Manufactures drafted a bill calling for tariff increases on a large number of items, including hemp, flax and iron, benefitting Atlantic and Western states, but hurting New England shipbuilders. It also called for increased duties on molasses, a detrimental move for New England merchants importing the raw material for rum production.<sup>37</sup> Further, the proposed bill intentionally omitted protection for New England wool producers, to further alienate Adams from his strongest political base.<sup>38</sup> In the event that the bill failed, Van Buren calculated that Democrats would reap political rewards from the Atlantic manufacturing states for attempting to pass the bill. If the bill passed, upsetting Jackson's Southern supporters, he concluded that Jackson's pro-slavery views would prevent any major political defections.

Van Buren's delicate maneuvers exploited a subtle, but important, development in the American industrialization process. Domestic manufactures had now become significant enough to cause ancillary raw material supplier industries to develop, which in turn required significant

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tariff was prompted because trade policy "changed in magnitude and purpose between 1816 and 1828 ... he believed that the 1816 tariff was motivated by reciprocal regard for the interests of all sections of the country. The later tariffs were, he insisted, deliberately intended to benefit one section of the country at the expense of another.," Lacy K Ford, Jr., *Origins of Southern Radicalism: The South Carolina Upcountry, 1800-1860* (New York: Oxford University Press, 1988), 120-121, Ford notes that "South Carolina never joined the Jacksonian mainstream, at least as far as national party alignments and party structure delineated that mainstream.," Richard E. Ellis, *The Union at Risk: Jacksonian Democracy, States' Rights and the Nullification Crisis* (New York: Oxford University Press, 1987), 6-7, Ellis stresses that South Carolina's politics during the 1820s represents an aberration. He states that "its development in South Carolina during the 1820s was simply not typical of how the states' rights argument was being used in most other parts, north and south, of the country."

<sup>37</sup> Taussig, *Tariff History*, 71; Lynn Hudson Parsons, *The Birth of Modern Politics: Andrew Jackson, John Quincy Adams, and the Election of 1828* (New York: Oxford University Press, 209), 158. Jackson ultimately won all of the electoral votes of Pennsylvania, Ohio, and Kentucky, as well as the majority of electoral votes from New York.

<sup>38</sup> John Niven, *Martin Van Buren: The Romantic Age of American Politics* (Norwalk, Connecticut: The Easton Press, 1986), 195-200. The New York situation was particularly in flux after the unexpected death of Governor DeWitt Clinton in early 1828; Joel H. Silbey, *Martin Van Buren and the Emergence of American Politics* (Lanham, Maryland: Rowman and Littlefield Publishers, Inc., 2002), 52-53; Donald B. Cole, *Vindicating Andrew Jackson: The 1828 Election and the Rise of the Two-Party System* (Lawrence: University Press of Kansas, 2009), 137-139; Forbes, *Missouri Compromise*, 12.

investment capital. Finished goods producers and raw material suppliers possessed economic objectives that potentially conflicted with one another in regards to trade policy.

An example of conflicting interests can be found in woolen goods. The 1824 tariff raised the *ad valorem* rate for finished woolen imports from 25% to 33.33%. That was good news for owners of wool manufactories. However, it also increased the tariff on raw wool from 15% to 30% *ad valorem*, which simultaneously raised the cost of raw materials. In the end, woolen manufacturers failed to reap significant net benefits, as the increased protection was effectively offset by increased costs of raw materials. Wool manufacturers attempted to remedy this situation with the failed 1827 tariff bill. Complicating matters, Southerners opposed tariff increases for either finished goods or raw materials, since wool typically clothed slaves.<sup>39</sup>

Another example was iron. The American iron industry, centered in Pennsylvania, by the 1820s developed into two segments: iron producers and iron manufacturers. Producers forged the raw material while manufacturers used the raw material to produce consumer goods. Historian Paul Paskoff noted that “for producers, no amount of protection from imported British iron could ever be too much protection; for the manufacturers, who purchased foreign as well as domestic pig and bar iron, rates in excess of *pro forma* levels were “an excessive burden.”<sup>40</sup>

Clay’s American System markedly differed with its intellectual predecessors on one key point. Alexander Hamilton and the Dallas Report both counseled that protection should be limiting to manufacturing, and that raw material imports should be encouraged. The old British mercantilist practices of the past had encouraged easy access to raw materials, but the American System included protection for domestic raw material producers. Silas Wright addressed this nuance by commenting that “one leading principle ... in the formation of the present bill, is that

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<sup>39</sup> Taussig, *Tariff History*, 75, 78, 82.

<sup>40</sup> Paul F. Paskoff, *Industrial Evolution: Organization, Structure, and Growth of the Pennsylvania Iron Industry, 1750-1860* (Baltimore, Maryland: The Johns Hopkins University Press, 1983), 76.

it is not, and cannot be the policy of this government, or of this Congress, to turn the manufacturing capital of this country to the manufacture of a raw material of a foreign country, while we do or can produce the same material in sufficient quantities ourselves.”<sup>41</sup>

Congressional members recognized Van Buren’s intentions. South Carolinian Thomas Cooper admitted that “I fear this tariff thing ... by some strange mechanical contrivance or legerdemain, it will be changed into a machine for manufacturing Presidents, instead of broadcloths, and bed blankets.”<sup>42</sup> Charles Wickliffe of Kentucky complained, “is it designed to keep this subject open for another season – for another Harrisburg *politico* Convention? ... it will be recollected that the Magician’s wand – by which great political results were to be produced in Kentucky last Summer – was a hemp stalk ... recollect, sir, the political complexion of this committee; remember the political complexion of a majority of this House.”<sup>43</sup> South Carolina’s George McDuffie exclaimed, “I will not permit myself to believe that the Presidency of the United States will ever be bought and sold, by this system of bounties and prohibitions. But I must say that there are certain quarters of this Union in which, if a candidate for the Presidency were to come forward with the Harrisburg tariff in his hand, nothing could resist his pretensions ... the most immaculate patriot and profound statesman in the nation could hold no competition with him, if he should refuse to grant this new species of imperial donative.”<sup>44</sup>

Congress received the usual flood of memorials from special interest groups as it became apparent that a new tariff would be considered. The Agricultural Society of South Carolina petitioned that “the protecting patronage ... is in direct hostility to the principles of the Federal compact ... as they did not force the Manufacturers into their speculations, if any of them are

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<sup>41</sup> 6 Reg. Deb. 1836 (1828).

<sup>42</sup> Remini, *Clay*, 329.

<sup>43</sup> 6 Reg. Deb. 2183 (1828). Van Buren was referred to as the “Magician” in his own time.

<sup>44</sup> *Ibid.*, 2405; see also comments by Churchill Cambreleng (NY), 2363, Isaac Bates (MA), 2010, and Thomas Moore (KY), 2176.

embarrassed, they cannot submit to extricate them at such a vast expense.”<sup>45</sup> Certain citizens from Hillsborough, Pennsylvania taking an opposite view, lobbied for greater protection, arguing that “we advocate ... the soundness of the maxim of Adam Smith, that “*whatever tends to diminish in any country, the number of artificers and manufacturers, tends to diminish the home market, the most important of all markets for the rude produce of the land, and thereby still further to discourage agriculture.*” And hence, it clearly follows, that it is in the interest of the agriculturalists to increase the number of artificers and manufacturers, in order “to increase the home market.”<sup>46</sup>

Political maneuvering began as soon the Twentieth Congress convened. Although Adams supporter Rollin Mallery of Vermont chaired the Committee on Manufactures, its overall composition included five Jackson supporters and only two Adams men.<sup>47</sup> One of Van Buren’s key lieutenants, first-time congressman Silas Wright of New York, convinced the House to authorize the Committee to gain testimony directly from the private-sector, the first time that had ever been done.<sup>48</sup> The tactic gained valuable time for the Jackson coalition to gather facts that could exploit clashing economic interests between wool producers of New England and wool manufacturers of the Atlantic states.<sup>49</sup>

On March 4, 1828, the Committee on Manufactures presented its draft tariff to the House. Authored by Silas Wright, it proposed tariff increases for several significant imported goods. Importantly, it included a large increase to the duties on molasses, but failed to increase the tariff rate on woolens, both designed to alienate New England.<sup>50</sup> Committee chair Mallery

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<sup>45</sup> National Archives, HR 20A-G10.1

<sup>46</sup> National Archives, HR 20A-G10.1

<sup>47</sup> Taussig, *Tariff History*, 87.

<sup>48</sup> 5 Reg. Deb. 889-890 (1828).

<sup>49</sup> Niven, *Van Buren*, 196-197.

<sup>50</sup> 6 Reg. Deb. 1727-1729, 1835 (1828).

immediately illustrated the tensions within New England when he condemned commercial interests by stating: “Manufacturers, we all know, are constantly accused of being governed by sordid and selfish views. They are charged with hostility to all other classes of the people. They are held up to observation, as a body of iron handed monopolists ... I maintain that the tendency of protecting domestic manufactures, is to prevent a most dangerous and powerful monopoly; a monied aristocracy that would be resistless, overwhelming. I mean, distinctly, the mercantile interest on the seaboard.”<sup>51</sup> New England manufacturers and merchants, often intertwined economically, could be at odds with each other. Van Buren and Wright intended to play on these differences, to the political benefit of the Democrat faction.

The bill’s proponents relied on many of the familiar arguments from previous debates. They pointed out the need to place the American political community ahead of individualism, the dual British example and economic threat, the symbiotic nature of the economic spheres, and the impracticality of free trade. They also tried to downplay the growing sectional tensions associated with the tariff, insisting that protection benefitted the entire nation.

Nationalists stressed that the bill addressed the collective national good. James Stevenson of Pennsylvania declared that “Material alterations never have – never will be made in the Tariff, without being painfully felt in some quarter; and all that justice and wisdom can do, is to make the nearest approach to doing the greatest general good, with the least individual injury.”<sup>52</sup> Thomas Moore of Kentucky noted that his constituents “were in favor of a tariff for the protection of American industry, whether devoted to manufacturing or agricultural pursuits, against unfair foreign competition. We do not advocate a tariff, which would sacrifice one section of the Union, for the purpose of enriching another.” He asserted that protection was a

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<sup>51</sup> Ibid., 1729-1730.

<sup>52</sup> Ibid., 1756.



short-term policy, and that “the tariff may produce manufacturing, but they must ultimately sustain themselves ... the manufacturers of plain cottons are now on that footing, and other branches are fast approaching it. The higher prices induced by the tariff will cease; we shall have a domestic supply of goods, as cheap as we could get them abroad; and the tariff will stand on our statute book a dead letter.”<sup>53</sup>

Some nationalists argued that certain industries represented vital national interests. John Reed of Massachusetts argued for both the wool and woolens industries. He was “convinced, that a large capital of \$40,000,000, invested in woolen manufactures, in different parts of the United States, was in great peril ... if lost, it must be a great national loss.” He pleaded that “the “wool and woolens” farmers and manufacturers, present a national interest, of so great extent and importance, that it commands our attention and regard.” Reed maintained that “if an additional duty should enhance the price, as it undoubtedly will, (at least for a season) my constituents must bear the burden, as truly as inhabitants south of the Potomac. For the public good, I shall consent, and will hope that my constituents will view the subject as I do, and be satisfied.”<sup>54</sup> James Strong of New York added that “the ruinous condition of our woolen manufactories is not owing to domestic competition, but almost altogether to foreign causes. Hence there is no power but Congress that can interpose between us and other nations.”<sup>55</sup>

Proponents also asserted that the nation’s goals could only be achieved through an active national government. Pennsylvania’s Samuel Anderson stated “that we possess more abundant resources than any other People on earth ... How are we to render these resources available? I answer, by an extension of the American System of protection – by an efficient tariff. By giving

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<sup>53</sup> Ibid., 2169-2170. Note that Moore also addressed Southern complaints that high tariffs hurt the prices of their agricultural products, and that these were caused by other factors.

<sup>54</sup> Ibid., 2136.

<sup>55</sup> Ibid., 2270.

adequate protection to domestic manufactures. By providing a home market for our raw materials; and by giving employment to the surplus labor and capital of the country.”<sup>56</sup>

Nationalists were motivated to support the American System and a high tariff partly out of a mixture of both admiration for, and fear of, Great Britain. They argued that the United States should emulate the British example. Delaware’s Kensey Johns pointed out that “this system of protection has become the policy of all other nations, and why should we reject it? Has not England by legislation afforded important advantages, to her manufacturers, and shall we neglect and leave ours to contend on unequal terms? To what cause except that of protection can we attribute the abundance, excellence, and cheapness of British manufactures?” He concluded that domestic “manufacturing establishments, embracing a large and considerable amount of American capital, demand, and are entitled to our peculiar care and attention.”<sup>57</sup>

The specter of British industrial superiority still loomed in 1828. Andrew Stewart of Pennsylvania asked “Was nothing required to counteract the effects of the premiums and bounties which were paid by the government of Great Britain to their exporters? Nothing required to sustain the infant and rising institutions of our own country, struggling for existence against the immense capital, the skill, the experience, the combined power of the old and long established institutions of Great Britain, exerting every nerve to strangle them in the cradle? ... We have millions, and hundreds of millions, at stake. If these institutions go down for the want of protection, who will again be found willing to risk his capital in so hazardous an enterprise?”<sup>58</sup> New York’s James Strong voiced similar concerns, stating that “one of the controlling causes of the embarrassment to our manufactures of woollens is the unequal competition of European with American capital. ... We have probably 40,000,000 of dollars in the woolen business, invested

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<sup>56</sup> Ibid., 2034.

<sup>57</sup> Ibid., 1944-1945.

<sup>58</sup> Ibid., 2230.

in land, buildings, and machinery; and England, France, and Germany, have, I suppose, at least 500,000,000 of dollars invested in the same business.” Strong concluded that “England is our greatest competitor; and the existence of her power essentially depends upon the spindle and the anvil. Who, then, can doubt that she would sacrifice much, in order to command a market like ours, in which the whole annual consumption of woollens, exclusive of household manufactures, is not less than twenty or twenty-five millions of dollars? The prostration of our woolen factories would give her this market.”<sup>59</sup>

American nationalists, fearing Britain’s economic and military power, concluded that the only antidote was an economically self-sufficient United States. Once again, they argued for a permanent form of protection. Daniel Barnard of New York explained that the American System led to a self-sufficient United States. He asked, “How, then, are manufactures to be encouraged? I answer, by giving them a monopoly of the home market. Yes, sir, it must be a monopoly ... the object sought for, is the building up of our own manufactures – such as the country is prepared to enter upon as a regular and permanent business. This, I contend, cannot be effected without an eventual monopoly of the domestic market ... effectual protection always must amount to virtual prohibition.”<sup>60</sup> Representative Chauncey Forward, of Pennsylvania reasoned that, at a minimum, reciprocity should dictate trade policy. He concluded that “if we cannot have free trade in its unlimited sense, let us approximate it as nearly as circumstances permit, by placing our commerce on a footing equal to that of foreign nations. If they exclude our agricultural products, from their markets, why not meet them on equal terms, by an equivalent exclusion?”<sup>61</sup>

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<sup>59</sup> Ibid., 2271, 2273.

<sup>60</sup> Ibid., 1927-1928.

<sup>61</sup> Ibid., 2024. Although the 1828 debates were impacted by Van Buren’s political intrigues, they also featured legitimate positions on tariff policy. The above arguments are an example of this. Both Barnard and Forward restated positions that had previously been articulated by nationalists in the 1820 and 1824 debates.

Tariff advocates also stressed that promoting a certain economic sphere provided residual benefits to the other spheres. However, there was disagreement over which sphere should receive special consideration. New York's Barnard commented that manufactures benefitted commerce when he stated that "Manufactures have kept very exact pace with civilization. And the history of commerce itself is little else than the history of the progress of manufactures ... The prosperity of English commerce is dated from the encouragement which was given to the English manufactures."<sup>62</sup> Representative John Barney of Maryland, on the other hand, reminded the House that "Commerce is the twin sister of agriculture, the handmaid of manufactures. Not a vessel floats the ocean, but is freighted with the produce of a fertile soil, the labors and the industry of the loom." He noted that with "iron, canvas, and hemp ... and wood ... being three-fifths of the whole cost" of a new ship, the tariff created significant hardship for the American maritime industry. Barney asked, "shall we jeopard this great and important interest by an experiment to ascertain whether we cannot force the successful cultivation of articles already amply protected by duties, as well as the enormous disproportion between the price of the foreign and domestic product?"<sup>63</sup>

Finally, pro-tariff forces asserted that free trade was simply not practical. Pennsylvania's Samuel Anderson recounted that "While the wars of Europe lasted, and the tide of our agricultural and commercial prosperity continued to flow, the doctrine of "free trade," as might be reasonably expected, became popular. Many eminent statesmen, who have since seen and acknowledged the fantasy of the doctrine, were then its zealous advocates. No one apprehended the calamities that have since befallen us."<sup>64</sup> Taking a swipe at free trade ideas, and particularly

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<sup>62</sup> Ibid., 1926-1927.

<sup>63</sup> Ibid., 1751, 1754; see also comments by John Anderson (ME) against manufacturing protection because it would ruin commercial interests, 1782.

<sup>64</sup> Ibid., 2032.

those of Smith and Ricardo, Delaware's Kensey Johns inquired, "Can we be persuaded to place any confidence in the delusive declarations of England; or have faith in that profession which is contradicted by practice?"<sup>65</sup>

Rollin Mallary tried to assuage sectional tensions by arguing that all regions of the nation were potential future beneficiaries within the American System. Though he acknowledged that New England and the Atlantic states were the first to heavily invest in manufactures, he maintained that "Establishments must be placed in the vicinity of the fuel they require. ... in this country water power is abundant almost everywhere. ... there is scarcely a portion of the Middle and Western and Southern States which have not equal or superior advantages to the North and East."<sup>66</sup>

The anti-tariff forces also resorted to familiar themes in arguing against the bill. They pointed out that the protective system improperly appropriated wealth from certain citizens to others. Free traders expressed fear that high tariffs would create excessive concentrations of economic wealth, posing a great threat to American republicanism. Finally, they argued that the empirical evidence did not sustain arguments that protection worked. Representative Churchill Cambreleng of New York forcefully presented arguments on all of these grounds.

The tariff's redistributive nature particularly upset opponents. John Anderson of Maine maintained that he was "not willing to build up one class on the ruins of another. Before we go farther in taxing this nation for the benefit of a limited number of individuals, we ought to inquire, seriously inquire, where we are to stop in this system of progressive protection ... I believe the tariff of 1824, if its provisions were fairly carried into execution, will give all of the

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<sup>65</sup> Ibid., 1944-1945; see also comments by Daniel Barnard (NY), 1926-1927.

<sup>66</sup> Ibid., 1747.

protection the manufacturing interests of this country ought, at this time, to receive.”<sup>67</sup>

Cambreng joined, asserting that “I go against this whole American System, no matter where its’ supposed benefits are to be realized – I will not vote to tax the laborer for the benefit of the capitalist – for that is the beginning and the end of the American System.”<sup>68</sup>

Opponents pointed out that the manufacturing sphere was receiving exclusive economic privileges. Nathaniel Claiborne of Virginia charged that such a course ran contrary to the natural order, and that the economy, left to its own devices, would industrialize in due time. He insisted, “Let the people encourage manufactures as much as they please – as circumstances show they are necessary – manufactures are the creatures of necessity – the South, the North, East, and West will betake to them when indispensable. What I complain of, is this, that our laws oppress other branches of industry to sustain them.” Claiborne concluded that the American System created a moral hazard, because it “entices people to embark in manufacturing establishments, with the impression that the government will sustain them at all events.”<sup>69</sup>

Critics charged that special economic interests were lobbying Congress for protection to enrich their wealth. Churchill Cambreng charged that the American System was guided by personal political ambitions, stating that prior to 1812 “the interests of the country were not sacrificed to gratify the insatiate appetite of private interests, nor were our measures founded on its selfish suggestions. One of the worst consequences resulting from this American system is, that however pure and respectable the witnesses may be, the evidence must be from its very nature fallacious and deceptive. However honest they may be, the controlling influence of

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<sup>67</sup> Ibid., 1772-1773.

<sup>68</sup> Ibid., 2326.

<sup>69</sup> Ibid., 1792, 1794-1796.

private interest will unconsciously give a colouring to their testimony which it never would have received from the unerring pencil of truth.”<sup>70</sup>

The shift towards a “British” system of protection frightened free traders, because it logically would create a system of influence peddling and social ills. Cambreleng recounted that “the errors of Parliament and the experiences of Great Britain are worthy our consideration. If this system ever becomes the established policy of our country, it will inevitably perpetuate itself, and must have a tendency to accelerate that change in the condition of our population and character of our government, which even the most sanguine among us cannot but apprehend at some period, however remote.”<sup>71</sup> Emulating Britain would import its political corruption and social problems.

Free traders suggested that empirical evidence demonstrated the failure of past tariff policy. Cambreleng asked “How has it affected the growth and condition of our woolen manufacture? Previous to 1824 that branch of industry had entirely recovered from the shock of returning from war to peace, and was moving on in steady prosperity ... under our ancient policy, as no revenue was required, it would not have been disturbed in 1824 – but, sir, the American System was the order of the day, and its leading advocate was a candidate for the Presidency. The tariff was patronized and carried through the House ... with a zeal and ability corresponding to the magnitude of the prize. ... from that measure, the woolen manufacture suffered those serious injuries.”<sup>72</sup>

Tariff opponents argued that the American economy was performing well and that additional protection was not necessary. Cambreleng invited his fellow representatives to “take the testimony of Mr. Marshall, a cotton manufacturer. This gentleman is of great respectability,

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<sup>70</sup> Ibid., 2365.

<sup>71</sup> Ibid., 2370.

<sup>72</sup> Ibid., 2362-2363.

from Manchester, in England. He was for thirty years a manufacturer in Manchester, left there only in August last, and is now interested in four establishments in one State ... One would suppose, sir, that a gentleman of Mr. Marshall's intelligence would not have transferred his industry from his native land to our country, if it had yielded him less profit here than in England.”<sup>73</sup>

The impact of industrialization also seeped into the debates. Lawmakers took note of emerging technologies such as railroads. John Barney of Maryland questioned whether the proposed tariff rate on iron might dissuade railroad construction. He noted that “a company was recently established in France to make a railroad from Havre de Grace, its commercial emporium, for cotton, tobacco, rice, and other bulky articles, to Paris, in the vicinity of which are many large manufactories. The experiment was in a successful train, when the duties on iron presented insuperable objections, and, the Government refusing to diminish them, the project was abandoned. May we not apprehend similar results, and thus check be given to what now promises to unfold a new era in the prosperity of our country?”<sup>74</sup> Barney noted that railroads were dotting the American landscape, mentioning that railroads were already present in South Carolina, New York, Massachusetts, New Jersey, Pennsylvania, and Maryland. These locations stretched the length of the Atlantic seaboard, including two states whose economies were largely slave-based.<sup>75</sup>

Van Buren's efforts to pit New England economic interest groups against one another proved effective. As he intended, the House bill generated large excitements over the duties on wool, woolens, and molasses. Massachusetts congressman John Davis, contrasted the bill with Harrisburg, noted that “the Harrisburg Convention attracted wool-growers and manufactures

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<sup>73</sup> Ibid., 2365.

<sup>74</sup> Ibid., 1752.

<sup>75</sup> Ibid., 2247.



from most of the United States ... for the purpose of examining into the condition of these important interests, and devising the most suitable means for their relief ... it is now discovered that the interests of the wool grower are like to suffer from the importation of an article which is not produced in the country ... the manufacturer does not desire it – the wool grower does not ask for it.”<sup>76</sup> Fellow Bay State Representative Isaac Bates attacked the proposed woolen duty since it impacted the cost of slave clothing, which typically featured coarse brand imports. Bates noted that American sheep farmers only produced higher quality wool, and consequently “we have no such wool ... as that used in the manufacture of these coarse cloths ... the manufacturers say there is none. The wool growers say there is none.”<sup>77</sup> Bates could not reconcile a tariff duty diametrically opposite of Dallas Report principles from just twelve years before.

The wool and woolen duties were not likely to encourage American manufacturers to produce coarser woolens, either. Peleg Sprague scoffed at suggestions that American farmers would grow lower-quality brands of coarse wool. He lamented, “But does it benefit the farmer? Sir, it would be preposterous – it would be an insult to ask him to raise such wool ... would we keep them instead of the present flocks, when the expense would be equal, and the fleeces could be worth only one half or one third as much? But how could our farmers raise such wool – if wool it is to be called? Sir, I know not, unless they borrow from our neighbors of Nova Scotia herds of Newfoundland dogs, to substitute for their flocks of Merinos.”<sup>78</sup>

People familiar with the House proceedings anticipated a close vote. Henry Clay admitted misgivings a March 21 letter when he stated “the House is now engaged in the discussion of the Tariff bill, reported by the Committee of Manufactures, which nobody believes has the least

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<sup>76</sup> Ibid., 1891.

<sup>77</sup> Ibid., 2008.

<sup>78</sup> Ibid., 2055.

prospect of passing in that shape.”<sup>79</sup> However, on April 22, 1828, after seven weeks of debate, the House passed the Tariff of 1828 by a vote of 105 to 94.<sup>80</sup> An even closer battle was expected in the Senate, where the bills of 1820 and 1827 had previously met rejection.

The Senate began deliberations two weeks later on May 5, 1828, and spent only eight days considering the new legislation.<sup>81</sup> The arguments put forward by both pro and anti-tariff senators closely mirrored those in the House. In particular, tariff proponents argued for special economic consideration for constituent interest groups while opponents criticized these proposals because they conferred special privileges at the expense of others.

An example of “economic interests” occurred when Thomas Hart Benton of Missouri motioned to raise the duty on molasses to encourage western distilling of whiskey. He remarked that “whiskey was the healthiest liquor that was drank, as men were known who had been drunk upon it for forty or fifty years, while rum finished its victims in eight or ten.” Senator John Chandler of Maine, speaking on behalf of competing New England merchants, replied that Benton’s rationale “was the reason why he would vote against the duty, as he was in favour of that liquor which would soonest dispatch the drunkard.”<sup>82</sup>

Senators representing commercial interests criticized the bill, arguing that it was openly hostile to their economic sphere. Albion Parris of Maine reasoned that “no nation will find trade advantageous with us, unless we take their products. We cannot carry on trade to advantage with others, unless they will take ours ... is it wise to embarrass a trade that gives so much employment to our people, so much revenue to the Treasury?”<sup>83</sup> He described the impact of the

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<sup>79</sup> Henry Clay to N. B. Beall, 21 March 1828, Filson Historical Society special collections, Louisville, Kentucky.

<sup>80</sup> 6 Reg. Deb. 2471-2472 (1828).

<sup>81</sup> 5 Reg. Deb. 726 (1828).

<sup>82</sup> 5 Reg. Deb. 726 (1828); see also comments by House member Peleg Sprague (ME) criticizing the whisky lobby, 6 Reg. Deb. 2069-2071 (1828).

<sup>83</sup> 5 Reg. Deb. 737-738 (1828).

tariff on the capital items required in the shipbuilding industry, complaining that “of the whole tonnage of the country, from one-eighth to one-tenth, is annually lost or rendered unfit for employment, either by decay or marine casualties: and that “two of the most expensive articles that enter into the construction of a ship, are hemp and iron. It is estimated by those who are well acquainted with the business, that of the whole cost, one-third, at least, is in hemp, iron, and duck.”<sup>84</sup>

The commercial-based senators viewed the 1828 bill as a direct attack by manufacturing interests upon their sphere. Albion Parris queried “Who originated the Convention at Harrisburg, to which this measure is to be directly traced, and which, in the course of this debate, has been eulogized as “the most enlightened and intelligent body that were ever assembled in this country? ... No sir; it was the “Pennsylvania Society for the promotion of Manufactures and Mechanic Arts.” ... Maine ... had no representation in the Harrisburg Convention. She has not petitioned for, but has remonstrated against, any change in the existing tariff.”<sup>85</sup> Parris asserted that the tariff bill represented a blatant attempt by manufacturers to grab wealth. He complained that “we have been told this is to be an equal, a “whole tariff;” that it is a great system for the benefit of the whole; and whatever of burthen may be involved in it, must be borne equally by all. ... I deny peremptorily that there is anything of equality in the bill under discussion.”<sup>86</sup>

Southern agricultural interests echoed the criticisms that New England commercial interests levied against manufactures. South Carolina’s George McDuffie agreed that the tariff amounted to economic redistribution. He argued that “it is by this time apparent, that prohibitory duties,

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<sup>84</sup> Ibid., 740-741; see comments by Daniel Webster (MA), 753, 756, 761. Webster, the consummate politician, took the opportunity to promote his commercial constituents, even as his political loyalties on the trade issue were shifting.

<sup>85</sup> Ibid., 742-743.

<sup>86</sup> Ibid., 742; Parris went so far as to hint at Maine’s secession, an example that the tariff was creating political agitations far removed from just South Carolina, 744; see comments by House member Daniel Turner (NC) that also view the bill as being advanced by manufactures for their own economic self-interests, 6 Reg. Deb. 2443 (1828).

even on those branches of manufacture, for which we have the greatest of facilities, and in which we have acquired the most skill, amount to an enormous and permanent tax upon the great mass of the community, for the benefit of a very small group of capitalists.” He regarded “as one of the most daring attempts at imposture to be found in the history of any age ... to allege that manufactures can be made in this country as cheap as they can be imported from Great Britain, at the very moment that it is asserted, by the same persons, that a duty of 37 ½ percent is utterly insufficient to protect the domestic manufacturer from absolute ruin.”<sup>87</sup>

Free trade advocates stressed that protectionism harmed the social well-being of the nation, and threatened to create an economic aristocracy. John Rowan of Kentucky argued that “There is but one American System, and that is delineated in the State and Federal Constitutions. It is the system of equal rights and privileges secured by the representative principle – a system, which, instead of subjecting the proceeds of the labor of some to taxation, in the view to enrich others, secures to all the proceeds of their labor – exempts all from taxation, except for the support of the protecting power of the government.” Rowan characterized the tariff bill “as a system of bounties, for the encouragement of certain classes of industry” which, unfortunately, created “a correspondent depression upon other classes.” He concluded that “manufactures produced wealth, and wealth unequally distributed, as an inevitable consequence, held by few, produced aristocracy, and aristocracy sapped the foundation of free institutions ... inordinate protection to manufactures [is] dangerous to the best interests of the country.”<sup>88</sup>

Both protectionists and free traders occasionally exaggerated or misrepresented facts to further their cause. Hemp was one example. New England shipbuilders used foreign water rotted hemp, in preference to American dew rotted hemp. James Buchanan considered

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<sup>87</sup> 6 Reg. Deb. 2390 (1828); see comments by Richard Mentor Johnson (KY) against woolen interests, 5 Reg. Deb. 763-764 (1828).

<sup>88</sup> 5 Reg. Deb. 730, 749 (1828); see comments by House member Wiley Thompson (GA), 6 Reg. Deb. 2450 (1828).

protection for American hemp absolutely necessary. He declared “It has now been clearly ascertained, from the highest authority, that American water-rotted hemp is fully equal, if not superior, to that of Russia.” Interestingly, Buchanan was not troubled by the fact that no water-rotting hemp industry existed in the United States. He rationalized, saying, “why is there no American water-rotted hemp in the market? ... Our farmers have not hitherto been able to dispose of it at the same market price which Russia hemp has borne in the market. Besides, they require some encouragement to induce them to abandon their ancient method of dew-rotting, and to take on water-rotting.”<sup>89</sup> John Davis countered Buchanan, saying that “hemp was raised in Massachusetts many years ago. Unless I am mistaken, that State once offered a bounty for its encouragement. It was prepared in the best manner, by water-rotting, and it sold as high as Russia hemp. But people disliked the business, and preferred other kinds of farming ... The business would too much expose the health of the inhabitants. Twenty tons of hemp put into a pond of stagnant water, would produce such a miasma, as to spread pestilence for miles about it.”<sup>90</sup>

The Senate debates increasingly featured regional overtones, pitting Northern manufacturing interests against Southern agriculture. Robert Hayne charged the Pennsylvania manufacturing lobby with creating an uneven bargain. He asked any of his fellow congressmen “to turn to the act of 1824, and put his finger on one single item of the bill which has benefitted the South? ... There is not a provision that holds out a shadow of benefit to us, whilst Pennsylvania is to reap four millions from its operations.” The senator hinted that the tariff issue placed the nation in political peril, stating “that unless we come back to the sound principles of the country, which have so long been abandoned, the harmony, the peace, and the prosperity of the Union are

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<sup>89</sup> 6 Reg. Deb. 2100-2101 (1828).

<sup>90</sup> Ibid., 2145-2146.

endangered ... I say that this system has created discordant feelings, strife, jealousy, and heart-burnings, which never ought to exist between the different sections of the same country.”<sup>91</sup>

The Senate considered a number of amendments to satisfy enough senators to support the bill. A key amendment placed the duty on woolens at an *ad valorem* rate of 45%, instead of the House version, which had established a 40% ad valorem rate with minimum values set at 50 cent intervals.<sup>92</sup> On Tuesday, May 13, 1828, the Senate finally cast its votes on the amended bill, and passed The Tariff of 1828 by a vote of 26 to 21.<sup>93</sup> Daniel Webster provided a crucial vote in support of the bill. As historian Frank Taussig pointed out, “political motives, or as Webster put it, “other paramount considerations,” caused them [New Englanders] to swallow the bill. They were afraid to reject it, for fear of the effect in the approaching campaign and election.”<sup>94</sup>

The overall votes in the House and Senate, absent a functioning two-party system, were predominantly influenced by geography. Table 7.2 breaks down the roll call vote:

**Table 7.2.** Ratification Vote of the Tariff of 1828 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, ME, NH, RI, VT)	16	23	6	5
Atlantic	(DE, NJ, NY, PA)	56	6	8	0
Chesapeake	(MD, VA)	4	20	0	4
South	(GA, NC, SC)	0	27	0	6
Northwest	(IL, IN, OH)	17	0	6	0
Southwest	(AL, KY, LA, MO, MS, TN)	<u>12</u>	<u>17</u>	<u>6</u>	<u>6</u>
Totals		105	93	26	21

Source: 5 Reg. Deb. 786 (1828), 6 Reg. Deb. 2471-2472 (1828); note that although the *Register* reports the House roll call vote as 105 to 94, only 93 nay votes are recorded.

<sup>91</sup> 5 Reg. Deb. 746 (1828).

<sup>92</sup> Taussig, *Tariff History*, 93-93, 100; the effect of the House version was to potentially place very heavy tariff levels on lower priced woolen goods, which potentially created a much higher effective rate. For example, woolen imports costing \$1.01 per square yard would be subject to a valuation at \$1.50. Thus, a duty of 60 cents would be placed on a good valued at \$1.01. The end effect was a regressive tax. As higher quality goods were imported, which Great Britain produced, the true impact of the protection came closer to 40%. Thus, the Senate version appealed more to woolen manufacturers.

<sup>93</sup> 5 Reg. Deb. 786 (1828).

<sup>94</sup> Taussig, *Tariff History*, 101.

The Atlantic and Northwest heavily supported the bill, while the Chesapeake and South opposed it with equal vigor. The key to the bill's passage was the fact that both New England and the Southwest regions closely split their votes in both chambers. Local economic interests played a major role in determining the outcome. In the Southwest, Louisiana sugar, Kentucky hemp, and Missouri lead all benefitted from the bill, and in New England, the woolens lobby was sufficiently satisfied with the Senate amendment to also provide support.

The Tariff of 1828 was widely criticized. Maine's Peleg Sprague observed that "the bill extends no relief to the manufacturer ... as to coarse fabrics, those which are most important, it is worse than the existing law ... this explains to us why it is that those very manufacturers and their agents, who poured in upon the House petitions beseeching that we should sustain their sinking establishments, now come here with remonstrances conjuring us to save them from the tender mercies of this measure." He noted that even friends of protectionism found the legislation objectionable, saying that "it shows us, too, why the bill is condemned by the fast friends of domestic manufactures, and among many others, by those champions of the American System, the veteran Niles and Carey."<sup>95</sup>

The data in tables 7.3 and 7.4 analyze the House and Senate votes by region and factional loyalty and demonstrate the challenges that Van Buren faced in managing his tariff bill strategy. In the House, the Atlantic, Chesapeake, South, Northwest, and Southwest regions voted in predictable fashion. The Atlantic region approved of the tariff because of its increased protection for iron and steel and the Northwest enjoyed the benefits of increased protection for grains and hemp. The Chesapeake and South predominantly opposed the bill because they felt that the tariff benefitted other regions at their expense due to higher consumer prices, particularly from increased tariffs on wool and woolens. The Southwest's vote bifurcated because Clay's

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<sup>95</sup> 6 Reg. Deb. 2055 (1828); see further comments by Peleg Sprague (ME), 2076.

native Kentucky, which benefitted from increased grain and hemp duties, unanimously supported the bill while all other states in the region voted against.

New England was the only region exhibiting conflicted stances on the tariff. The Jackson men, a distinct minority, voted against the measure 3 to 1. The much larger Adams faction voted against the measure by a vote of 20 to 15. In contrast with previous episodes, most of the New England state delegations cast split votes rather than blocs, suggesting that the economic interests of factory owners (manufactures) and merchants (commerce) conflicted with one another. Landlocked Vermont cast all five of its votes for the tariff and manufactures, while coastal Maine cast all seven of its votes for commerce and against the bill. The other four states cast split votes, varying from favorable Connecticut (4-2) and New Hampshire (4-2) to split Rhode Island (1-1), to objecting Massachusetts (2-11).

**Table 7.3.** House Ratification Vote – The Tariff of 1828 by Region and Political Faction

Party	Adams Ayes	Adams Nays	Jackson Ayes	Jackson Nays
New England (CT,MA,ME,NH,RI,VT)	15	20	1	3
Atlantic (DE, NJ, NY, PA)	26	0	30	6
Chesapeake (MD, VA)	4	7	0	13
South (GA, NC, SC)	0	4	0	23
Northwest (IL, IN, OH)	13	0	4	0
Southwest (AL,KY,LA,MO,MS,TN)	<u>4</u>	<u>3</u>	<u>8</u>	<u>14</u>
Totals	62	34	43	59

Source: 6 Reg. Deb. 2471-2472 (1828); note that although the *Register* reports the House roll call vote as 105 to 94, only 93 nay votes are recorded.

Van Buren's political plan anticipated that the bill would pass in the House, but die in the Senate, as had happened in 1820.<sup>96</sup> He expected New England senators to vote against the bill, dooming its chances for passage. However, the most influential New England senator, Daniel Webster, enjoyed very close ties with the Boston Associates, the merchant group who commenced large-scale New England industrialization at Waltham just a decade before. In

<sup>96</sup> Taussig, *Tariff History*, 98-99.



1816, as a House member, he had not voted despite actively participating in the debate against the tariff, perhaps the result of torn loyalties between his commercial and manufacturing constituents. In 1824 he delivered an eloquent speech on behalf of Massachusetts merchants, supporting free trade principles.<sup>97</sup>

The logical conclusion, based upon his past record, was that Webster would vote against the tariff, even though he had recently allied himself politically with Clay and Adams. Pro-administration senators were uncertain about Webster's stance. Senator Jesse Thomas of Illinois, an Adams man, beseeched the president to encourage Webster to cast an "aye" vote.<sup>98</sup> Webster faced a difficult decision because the nature of his constituency was rapidly changing. Boston merchants, who had long sponsored him, were now also deeply invested in manufactures. As an example, Waltham had been capitalized with Boston Associates equity in the amount of \$300,000, and the same investors began the Appleton Company in 1828 with an astonishing equity investment of \$1,000,000.<sup>99</sup>

There were preliminary signs that Webster was altering his stance on the tariff. James Buchanan stated during the House debates that Webster was an advocate of the American System, even while simultaneously acknowledging that he had spoken out in favor of free trade as recently as 1824.<sup>100</sup> The majority of Webster's rhetoric in 1828 was against the bill, but at the same time he had hedged his bets by declaring that the Tariff of 1824 had initiated an informal contract between the federal government and the manufactures sphere.

Webster voted for the Tariff of 1828, undoubtedly influenced by the economic situation in Massachusetts. He was persuaded by many of his most important constituents, notable Boston

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<sup>97</sup> Remini, *Daniel Webster*, 139-140, 220-224, 281.

<sup>98</sup> *Ibid.*, 297-298.

<sup>99</sup> Ware, *Early New England Cotton Manufacture*, 80-81.

<sup>100</sup> 6 Reg. Deb. 2093 (1828).

Associates member Abbott Lawrence, who decided that the Senate amendment on woollens positively served the interests of the that industry. In doing so, Webster was clearly motivated by the economic self-interests of his region. The vote also marked Webster's permanent conversion from a free trade position to a nationalist one.<sup>101</sup>

Once committed to protection, Webster became an ardent proponent. His new argument was now that the Tariff of 1824 amounted to a covenant between the nation and manufacturers. He declared that "after this final declaration [in 1824] – this solemn promulgation of the policy of the Government, I again ask, what was she [New England] to do? ... She not only saw this herself, but had, all along, foreseen that if the system of protecting manufactures should be adopted, she must go largely with them."<sup>102</sup> In response to Southern criticisms, he lashed out that "this is one of the main "abominations of the bill" ... Under the prospect of advantage held out by the law of 1824, men have ventured their fortunes and their means of subsistence for themselves and families, in woolen manufactures. They have ventured investments in objects requiring a large out-lay of capital ... events have occurred blighting their prospects and withering their hopes ... they come here asking for relief against an unforeseen occurrence ... they are told that what they ask for is an abomination!"<sup>103</sup>

Table 7.4 summarizes the Senate roll call vote by region and political faction. While Adams supporters heavily favored the tariff, the Jackson faction generally split along regional lines. The voting patterns were sometimes complicated by the fact that some legislators, in the absence of party, felt compelled to follow the wishes of their native state governments. Kentucky's John Rowan serves as an example. He offered a passionate indictment of protection during the debates, but eventually voted for the bill. Rowan explained that "as the organ of the State of

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<sup>101</sup> Remini, *Daniel Webster*, 298-299.

<sup>102</sup> 5 Reg. Deb. 751-752 (1828).

<sup>103</sup> 5 Reg. Deb. 759 (1828).

Kentucky, he felt himself bound to surrender his individual opinion, and express the opinion of his State.”<sup>104</sup>

**Table 7.4.** Senate Ratification Vote – The Tariff of 1828 by Region and Political Faction

Party	Adams Ayes	Adams Nays	Jackson Ayes	Jackson Nays
New England (CT,MA,ME,NH,RI,VT)	6	2	0	3
Atlantic (DE, NJ, NY, PA)	3	0	5	0
Chesapeake (MD, VA)	0	1	0	3
South (GA, NC, SC)	0	0	0	6
Northwest (IL, IN, OH)	5	0	1	0
Southwest (AL,KY,LA,MO,MS,TN)	<u>2</u>	<u>1</u>	<u>4</u>	<u>5</u>
Totals	16	4	10	17

Source: 5 Reg. Deb. 786 (1828),

The voting patterns in 1828 were strikingly similar to 1824. Table 7.5 presents a side by side comparison of the two respective roll calls, and shows that latter bill received slightly greater support:

**Table 7.5.** A Regional Comparison of the 1824 and 1828 Tariff Roll Call Margins

Region	States	1824 Vote	1828 Votes	Net Change
<u>House of Representatives:</u>				
New England	(CT, MA, ME, NH, RI, VT)	15-23	16-23	+1
Atlantic	(DE, NJ, NY, PA)	57- 9	56- 6	+2
Chesapeake	(MD, VA)	4-27	4-20	+7
South	(GA, NC, SC)	0-29	0-27	+2
Northwest	(IL, IN, OH)	17- 0	17- 0	0
Southwest	(AL, KY, LA, MO, MS, TN)	<u>14-14</u>	<u>12-17</u>	<u>-5</u>
Totals		107-102	105-93	+7
<u>Senate:</u>				
New England	(CT, MA, ME, NH, RI, VT)	9- 3	6- 5	-5
Atlantic	(DE, NJ, NY, PA)	5- 3	8- 0	+6
Chesapeake	(MD, VA)	0- 3	0- 4	-1
South	(GA, NC, SC)	0- 6	0- 6	0
Northwest	(IL, IN, OH)	5- 0	6- 0	+1
Southwest	(AL, KY, LA, MO, MS, TN)	<u>6- 6</u>	<u>6- 6</u>	<u>0</u>
Totals		25-21	26-21	+1

Source: 5 Reg. Deb. 786 (1828), 6 Reg. Deb. 2471-2472 (1828), 41 Annals of Cong. 743-744 (1824), 42 Annals of Cong. 2429-2430 (1824).

<sup>104</sup> Ibid, 731.

The 1828 tally demonstrated that trade policy remained highly contentious, with deep fissures along sectional lines. The Atlantic and Northwest regions remained deeply committed to protectionism, while the Chesapeake and Southern regions remained deeply opposed. New England was torn between the competing interests of a developing manufacturing sector and its long-standing commercial interests. In the Southwest, proponents of agricultural protection for hemp and sugar, contributed to split regional views on trade policy.

Since the 1824 and 1828 votes were similar, why was the negative response to the “Tariff of Abominations” so much more severe? Two points merit consideration. First, the nature of American trade policy dramatically changed in just twelve years since passage of the Dallas Tariff. Political scientist James H. Read, describing John Calhoun’s emerging views during this period, state that Calhoun’s shift from nationalism to opposition on the tariff to the tariff was prompted because trade policy “changed in magnitude and purpose between 1816 and 1828 ... he believed that the 1816 tariff was motivated by reciprocal regard for the interests of all sections of the country. The later tariffs were, he insisted, deliberately intended to benefit one section of the country at the expense of another”<sup>105</sup> Second, although the roll call votes clearly show that the tariff bill was almost universally rejected in the South, only South Carolina was willing to eventually agitate outside of the normal legislative process.

Daniel Webster best summed up the Tariff of 1828, remarking that “this subject is surrounded with embarrassments, on all sides.” He explained that the unfortunate situation resulted from a “diversity of interest ... in different parts of the country.” Webster described the process and impact of “interest” in shaping the “Tariff of Abominations:”<sup>106</sup>

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<sup>105</sup> Read, *Political Thought of John C. Calhoun*, 60.

<sup>106</sup> 5 Reg. Deb. 756-757 (1828). Daniel Webster used this expression in his Senate speech of 9 May 1828 and credited fellow Senator Samuel Smith of Maryland for having coined the term.

Those who intend to oppose this bill, under all circumstances, and in all or any forms, care not how objectionable it now is, or how bad it may be made. Others, finding their own leading objects satisfactorily secured by it, naturally enough press forward, without staying to consider, deliberately, how injuriously other interests may be affected. All these causes create embarrassments, and inspire just fears, that a wise and useful result is hardly to be expected.<sup>107</sup>

The 1828 tariff aggravated regional animosities tracing back to the Philadelphia Convention and deepened by the Missouri Crisis in 1820. Representative James Hamilton of South Carolina intimated that the tariff issue tugged at the very bonds of Union. He concluded that “we have at length reached a crisis from which, in surveying the intolerable evils of the past, they are in no way mitigated by the prospects of the future. To this system, called American, there seems neither suspension nor limit. The procurement of one exaction wrung from the consumers of the country, only justifies a fresh application, until our whole foreign trade is threatened with utter ruin by the steady march of a bigoted spirit of monopoly.” Hamilton warned that South Carolina was debating whether “we can afford to belong to a confederacy in which severe restrictions, tending to an ultimate prohibition of foreign commerce, is its established policy? That, whatever be our religious veneration for this Union, you are compelling us to ask ourselves, when you strike at our bread, to which we owe the highest obligation, the law of God, the law of nature, the law of necessity, or to that of artificial and political association?”<sup>108</sup>

Hamilton tried to legitimize his protest. He asked, “Is this treason, sir? I hope not. I do not design it as a bare threat. ... It is, moreover, treason, sir, to tell you that there is a condition of public feeling throughout the southern part of this confederacy, which no prudent man will treat with contempt, and no man who loves his country will not desire to see allayed?” He extended both a figurative olive branch and a stick when he stated: “I trust, sir, that this cup may pass from

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<sup>107</sup> 5 Reg. Deb. 750 (1828).

<sup>108</sup> 6 Reg. Deb. 2433-2434 (1828); Freehling, *Prelude to Civil War*, 143, Freehling reports that the South Carolinian response, as exemplified by Hamilton, was not a consensus view throughout the South. He notes that “South Carolina was, fatefully, going it alone even before her congressmen left Washington.”

us: That in our firmness and enlightened patience – not base submission – and in your returning sense of justice, we shall find our remedy and relief ... but, if an adverse destiny should be ours ... if we are doomed under a tyrannous legislation, to be reduced, in effect, again, to a condition of colonial vassalage ... you may rely on one thing – that, in a juncture so full of difficulty, South Carolina will be found on the side of ... a free and sovereign people.”<sup>109</sup>

In the final measure, the Jacksonian Democrats desired a dramatic political victory, which they achieved when Andrew Jackson won the presidency in 1828. In doing so, they politicized the tariff issue, but their strategy did not supersede the foundational ideas and interests characterizing previous debates. Instead, the new political element simply added further complexities to the trade policy issue.

### **A War of Words: Calhoun, Niles, Webster and Hayne**

The Tariff of 1828 ignited a burst of political activity beginning soon after its passage. John Calhoun quickly authored an anonymous critique of the new law, charging that it was unconstitutional. In 1830, Daniel Webster and Robert Hayne engaged in a sharp exchange over the tariff law and its relation to the federal compact.

Vice President John C. Calhoun witnessed the Tariff of 1828 from his chair as Senate President. Calhoun appears to have known Van Buren’s plans for the tariff issue 1828, and felt betrayed when the legislation actually passed. While the South Carolina congressional delegation fumed over the Tariff of Abominations, Calhoun chose to temporarily stay out of the developing fray.<sup>110</sup>

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<sup>109</sup> 6 Reg. Deb. 2436-2437 (1828); see supporting comments by George McDuffie (SC), 2382-2383, 2385-2386, 2401-2402, 2405, who portrayed the growing crisis a result of manufacturing interests, in pursuit of profits, subverting the republic; see also comments about “union” by Wiley Thompson (GA), 2451.

<sup>110</sup> Freehling, *Prelude to Civil War*, 154-159; Wiltse, *Calhoun: Nationalist*, 369, 372-374; Gerald Capers, *John C. Calhoun, Opportunist: A Reappraisal*, (Gainesville: University of Florida Press, 1960), 105. One of Calhoun’s considerations was that although he was Adams’ vice-president, he was also being considered as Jackson’s choice

Calhoun's native South Carolina faced economic challenges throughout the 1820s. The great staple crop of cotton was the bulwark of the state economy and in 1825 prices averaged 21 cents per pound, and briefly peaked at 29.5 cents per pound at one point. Unfortunately, increased supply through added planting brought prices down, and cotton prices precipitously fell to 12 cents in 1826 and slightly less than 9 cents per pound in 1827. South Carolinians such as Thomas Cooper and Robert Turnbull blamed the tariff for their state's woes. In 1827, the South Carolina legislature passed a resolution condemning any protective tariff as unconstitutional. When the Tariff of 1828 passed, separate meetings of citizens in the Colleton, Edgefield, and Abbeville districts protested the tariff's passage.<sup>111</sup>

Calhoun spent the latter part of 1828 quietly researching and drafting what would become known as the *South Carolina Exposition and Protest*, anonymously published in December. The *Exposition* primarily concerned itself with the United States Constitution. Although its preamble stated "that it is expedient to protest against the unconstitutionality and oppressive operation of the system of protecting duties," the report didn't specifically address the economic impact of the tariff. Nor did it call for nullification, even though it endorsed the "right" to do so.<sup>112</sup> Historian Gerald Capers, no admirer of Calhoun, acknowledged that "rather than being a conscious justification for secession, it was avowedly an attempt to preserve the Union."<sup>113</sup>

Calhoun's case against the recent bill was built on Old Republican grounds. He argued that "the whole system of legislation imposing duties on imports, - not for revenue, but the protection of one branch of industry at the expense of others, - is unconstitutional, unequal, and oppressive,

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for vice-president. This came to pass, and Calhoun is the only American vice-president to serve two different presidents.

<sup>111</sup> Wiltse, *Calhoun: Nationalist*, 352, 355, 377, 379-381; Herman Belz, ed., *The Webster-Hayne Debate on the Nature of the Union* (Indianapolis, Indiana: Liberty Fund, 2000), 158.

<sup>112</sup> John C. Calhoun, *John C. Calhoun: Selected Writings and Speeches*, ed. H. Lee Cheek, Jr. (Washington, D. C.: Regnery Publishing, Inc., 2003), 267.

<sup>113</sup> Capers, *Calhoun, Opportunist*, 117; Capers, "A Reconsideration of John C. Calhoun's Transition from Nationalism to Nullification," *The Journal of Southern History* Volume 14, No. 1 (Feb, 1948): 46.

and calculated to corrupt the public virtue and destroy the liberty of the country.” The *Exposition* noted that “The Constitution grants to Congress the power of imposing a duty on imports for revenue, which power is abused by being converted into an instrument of rearing up the industry of one section of the country on the ruins of another.”<sup>114</sup>

The *Exposition* described the tariff controversy as a clash of regional economic interests, brought about by the unequal expansion of industry. Calhoun wrote “So partial are the effects of the system, that its burdens are exclusively on one side and its benefits on the other. It imposes on the agricultural interest of the South ... We cultivate certain great staples for the supply of the general market of the world: - They manufacture almost exclusively for the home market. Their object in the Tariff is to keep down foreign competition, in order to obtain a monopoly of the domestic market”<sup>115</sup> He concluded that the tariff pitted dichotomous economic interests of an industrializing North and an agricultural South against one another, noting that “It remains to be considered, in tracing the effects of the system, whether the gain of one section of the country be equal to the loss of the other ... the interests of the two great sections is opposed. We want free trade, - they restrictions.”<sup>116</sup>

Calhoun’s emerging views tied the constitutional elements of nullification inexorably to the tariff. While the tariff was the formal issue, Calhoun’s substantive contention concerned the constitutional rights of minorities. Slavery was threatened by majority rights, and as historian William Freehling points out, Calhoun “hoped state nullification would stop the federal government from overturning the social hierarchy. Blacks had no right to a freedom that would Africanize America.”<sup>117</sup> Slavery, rather than the tariff, was Calhoun’s true concern.

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<sup>114</sup> Calhoun, *Selected Writings*, 268.

<sup>115</sup> *Ibid.*, 270, 274.

<sup>116</sup> *Ibid.*, 285, 288.

<sup>117</sup> Freehling, *The Road to Disunion: Secessionists at Bay*, 259.



Leading tariff proponents, including influential Baltimore newspaper editor Hezekiah Niles, flatly rejected the South Carolina complaints. Responding to Southern criticism of the Tariff of 1828, he wrote: “We have been much amused with seeing it roundly asserted in some of the southern papers, that the tariff robs the planters of *sixty* out of every *hundred* bales of cotton that he produces – but grieved to observe that certain men, spouters and writers, who ought to know better, advance so absurd a proposition.”<sup>118</sup> Niles proceeded to dedicate three full pages to pick apart the exaggerated claim of a sixty percent tax with effective clarity.

The Baltimore editor steadfastly insisted that industrialization would eventually encompass the entire nation, including the South. He commented that “We have had much intercourse and communication with manufacturers, and never once witnessed the show of a desire that the south should not build up manufacturing establishments for itself – but, on the contrary, have oftentimes heard gentlemen from Virginia and North Carolina, particularly, urged to erect them.”<sup>119</sup> The *Weekly Register* sharply condemned the nullification murmurs circulating in the South after the Tariff of 1828 passed. Niles attributed the South’s growing resistance towards the new tariff more to conspiracy than principled behavior. He wrote that “the bill had no sooner passed, than a disposition to resist its provisions was shown in the south, and the “unconditional repeal” of all the protecting laws called for, with a clear intimation, that the call would be sustained AT ARMS. These anti-republican, if not treasonable suggestions, are fanned by the whole herd of British agents in the United States.”<sup>120</sup>

The original South Carolinian complaints, and the responses from individuals such as Niles, were followed by a short interlude of quiet. However, in early 1830, Daniel Webster of Massachusetts and Robert Hayne of South Carolina renewed the initial exchange when they

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<sup>118</sup> Niles’ *Weekly Register*, 30 August 1828.

<sup>119</sup> *Ibid.*, 25 October 1828.

<sup>120</sup> *Ibid.*, 20 September 1828.

debated the nature of the American union on the Senate floor. Their exchange touched upon the recent tariff. On January 20, Webster responded to Hayne's criticism of Eastern states by exclaiming, "The East! The obnoxious, the rebuked, the always reproached East! ... we are charged with the crime of a narrow and selfish policy ... and the cause of all this narrow and selfish policy, the gentleman finds the tariff."<sup>121</sup>

Webster charged the South with responsibility for the tariff controversy. He ascribed the controversy back to 1816, remarking that "The Tariff of 1816, one of the plain cases of oppression and usurpation, from which, if the government does not recede, individual States may justly secede from the Government, is, sir, in truth, a South Carolina Tariff, supported by South Carolina votes. But for those votes, it would not have passed in the form in which it did pass ... among the earliest and boldest advocates of the Tariff, as a measure of protection, and on the express ground of protection, were the leading men of South Carolina in Congress." Webster remarked that "We see it daily, in the list, side by side of those of 1824 and 1828, as a case of manifest oppression, justifying disunion. I put it home, to the honorable member from South Carolina, that his own State was not only 'art and part' in this measure, but the *causa causans*. Without her aid, this seminal principle of mischief, this root of Upas, could not have been planted. ... it passed on the principle of protecting manufactures, on the principle against free trade, on the principle *opposed to that which lets us alone*."<sup>122</sup>

On January 27, Hayne replied, characterizing the Tariff of 1816 quite differently. He stated that "The gentleman considers the Tariff of 1816, and the bonus bill, as the foundations of the American system, and intimates, that the former would not have prevailed, but for South Carolina votes. Now Sir, as to the Tariff of 1816, I think a great mistake prevails throughout the

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<sup>121</sup> Belz, Jr., ed., *Webster-Hayne Debate*, 26.

<sup>122</sup> *Ibid.*, 105-106.

country, in regarding it as the commencement of the existing policy ... [under] that bill (reported, Sir, by the lamented Lowndes, a steady opponent of the protecting system,) the duties on woolen and cotton goods were at once *reduced* to 25 per cent, with a provision, that they should, in the course of three years, *be further reduced*, to twenty percent, while, by the tariff of 1824, the duties on the same articles were at once *increased* to 30 percent, and were to go on increasing to 37 ½ percent; and by the tariff of 1828, have been carried much higher.”<sup>123</sup> Hayne added that South Carolina’s votes did not, in fact, determine the final fate of the 1816 tariff, as it had been overwhelmingly passed in the House by an 88 to 54 vote.”<sup>124</sup>

The Tariff of 1828 prompted a constitutional crisis over the relationship between majority and minority rights within the American political system. The tariff triggered the crisis, but slavery and minority rights were the end issues. As Webster and Hayne concluded their exchange, Senator Edward Livingston of Louisiana warned that “Arguments for and against the dissolution of the Union are canvassed in the public papers; form the topic of dinner speeches; are condensed into toasts ... Sir, it is a Gordian knot, that can be severed only by the sword. The band cannot be unloosed until it is wet with the blood of brothers.” He pleaded that “I cannot, therefore, conscientiously, be silent; and, humbly as I think my influence or powers of persuasion, I should feel myself guilty if there were not exerted in admonition to both parties in this eventful controversy.”<sup>125</sup>

Livingston’s pleas for compromise failed to carry the day in 1830. Webster insisted that the federal government had the duty to uphold the protectionist successes of 1824 and 1828, declaring that “The duty of the Government, at the present moment, would seem to be to

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<sup>123</sup> Ibid., 159.

<sup>124</sup> Ibid., 159-160; see comments by William Smith (SC) during the Webster-Hayne debate, who criticized the economic redistribution caused by the protective tariff, Belz, ed., *Webster-Hayne Debate*, 331-335.

<sup>125</sup> Belz, ed., *Webster-Hayne Debate*, 476-477.

preserve, not to destroy; to maintain the position which it has assumed; and, for one, I shall feel it an indispensable obligation to hold it steady, as far as in my power, to that degree of protection which it has undertaken to bestow.”<sup>126</sup> The volatile crisis simmered, but only for the time being.

### **Conclusions**

The Tariff of 1828, among all of the tariff bills between 1789 and 1857, should be understood as an anomaly. The Adams/Clay and Jackson factions of the Democratic-Republican Party were locked in a highly contentious battle for political control of the national government and Jackson’s supporters were eager to deny Adams and Clay any political advantage by appearing to support nationalist economic trade policy. Martin Van Buren expected the bill to fail because New England would find the bill too onerous.<sup>127</sup> The Jackson faction successfully neutralized the tariff issue in 1828, which contributed to his election.

Historian Frank Taussig, the preeminent tariff scholar at the turn of the twentieth century, recognized this point. He noted that “the Adams men were more firmly and unitedly in favor of protection than their opponents ...the position of the Jackson men, on the other hand, was a very difficult one. Their party had at this time no settled policy in regard to the questions which were to be the subjects of the political struggles of the next twenty years. They were united on only one point, a determination to oust the other side”<sup>128</sup> The Northern wing of the Jackson faction temporarily embraced protectionism to neutralize the issue during the presidential campaign. This move was pure politics, and didn’t indicate what long-term stance the Jackson men would settle upon over the trade policy issue after the election.

The sectional animosity in 1828 was not exclusively based upon a North-South axis. New England’s commercial economic interests vociferously objected to the tariff. The Tariff of

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<sup>126</sup> Ibid., 114.

<sup>127</sup> Taussig, *Tariff History*, 88-89.

<sup>128</sup> Ibid., 85-86.

Abominations was only fifteen years removed from the Hartford Convention, and still a full thirty-three years before Fort Sumter. New England had ample evidence that her economic interests were being attacked. For example, Charles Wickliffe of Kentucky maintained that “the People of Kentucky will not be contented to swallow this bill, stuffed with nothing but wool.” Wickliffe also attacked the New England molasses trade, declaring that “I have another reason for imposing this duty upon imported molasses. I wish to protect and encourage the growth of the sugar-cane in the State of Louisiana and Florida. In parts of Mississippi, Alabama, and Georgia, the sugar-cane can be grown.”<sup>129</sup> These exchanges illustrate that regional economic interests were far more complex during this period of expanding economic growth and industrialization than just slavery.

There was also ample evidence that the interests of the different economic spheres still influenced tariff votes. In December 1828 Senator Hayne presented a memorial signed by 1,562 inhabitants residing around Boston, a location far apart culturally, socially and economically from the Palmetto State. Hayne noted his satisfaction with “the unequivocal evidence afforded by this memorial, that the cause of “free trade and unrestricted industry” was not yet lost in the East.” He hoped “that the united efforts of the agriculturalists, merchants, and “judicious manufactures,” might yet save the country from the evils of the “prohibitory system.”<sup>130</sup> Congressmen often felt bound to cast votes favoring the business establishments within their districts. Pennsylvania’s Chauncey Forward bluntly declared that “I desire to advance the true interests of my constituents.”<sup>131</sup> Kentucky representative Thomas Chilton maintained that the interests of his constituents dictated his approach to the tariff as well, stating that “it cannot be expected, that those who represent Kentucky, will so far lose sight of the interests of their

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<sup>129</sup> 6 Reg. Deb. 2182 (1828).

<sup>130</sup> 5 Reg. Deb. 9 (1828).

<sup>131</sup> 6 Reg. Deb. 2025 (1828).

constituents, as to protect every other section of the Union, while their own lies neglected and exposed; or that they will render their own merely tributary to the advancement of others, and not of themselves.”<sup>132</sup>

The Tariff of Abominations ultimately created more problems than it solved. Van Buren’s skillful political maneuvering neutralized the tariff issue in the upcoming election, and robbed the Adams/Clay coalition of a potentially important political asset. Andrew Jackson’s election, however, came at a steep price. The high tariff rates embittered free traders, ensuring future tariff confrontations. The South Carolina political radicals, who eventually became nullifiers, were outraged by the bill’s passage. Calhoun’s *Exposition* began the political reaction to the Tariff of Abominations. The Webster-Hayne debates continued it. In 1832, the issue would trigger a political crisis.

Events between 1828 and 1832 would demonstrate that the tariff was only a pretext for the emerging national political crisis. The real issue at hand was the American Constitution, minority rights, and ultimately the institution of slavery. For the next five years the symptomatic issue of the tariff and the national malady of minority rights would become intertwined as the United States dealt with its political crisis. The Tariff of Abominations instigated the biggest American political crisis since the passage of the Alien and Sedition Acts.

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<sup>132</sup> Ibid., 2204; see comments by Charles Wickliffe (KY), 2177.

## CHAPTER 8 – ACTION AND REACTION: THE TARIFFS OF 1832 AND 1833

*“The opinion advanced by the friends of the protective system is, that the tendency of aggravating duties of impost upon articles imported from abroad, and have no competition with similar articles of domestic manufacture, is to reduce, and not to increase, the price of the articles themselves.”<sup>1</sup>*

- Report of the House Committee on Manufactures (May 23, 1832)

*“The opinion sustained by the free trade party is, that the great mass of the duties of impost is paid, not by the consumer of the dutied articles, but by the producer of the article exported, to pay for the article upon which the impost was levied.”<sup>2</sup>*

- Report of the House Committee on Manufactures (May 23, 1832)

*“In the first place, I would remark that the bill contains no obligatory pledges; it could make none; none are attempted. The power over the subject is in the constitution; put there by those who formed it, and liable to be taken out only by an amendment of the instrument. The next Congress, and every succeeding Congress, will undoubtedly have the power to repeal the law whenever they may think proper.”<sup>3</sup>*

- Senator Henry Clay of Kentucky (February 25, 1833 remarks to the Senate)

*“There had been a good deal said during the discussion, how far this passage of the bill would involve a pledge as to the arrangement of the tariff which he had proposed. He felt but little solicitude on that point. He had little faith in pledges; he had experience enough to know that the most solemn compact, and even the constitution itself, would be violated – palpably violated, in his opinion – whenever the dominant party saw its advantage in such violation.”<sup>4</sup>*

- Senator John Calhoun of South Carolina (March 1, 1833 remarks to the Senate)

The Tariff of 1828 created a climate of political acrimony that virtually assured future confrontations. Four years later, the Tariff of 1832 lowered overall tariff rates back to levels approximating the Tariff of 1824, though protective features remained. John Calhoun and South Carolinian states rights advocates remained dissatisfied, precipitating the Nullification Crisis in late 1832 and early 1833. Calhoun and his native state were primarily motivated by political, rather than economic, concerns. Nullifiers focused on the constitutional issue of minority rights

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<sup>1</sup> 13 Reg. Deb. 88 (1832).

<sup>2</sup> Ibid., 88.

<sup>3</sup> 14 Reg. Deb. 730 (1833).

<sup>4</sup> Ibid., 791.

and their relation to the institution of slavery. South Carolina used the Tariff of 1832 as the pretense to test how far it might politically resist federal power.<sup>5</sup>

Calhoun transitioned from economic nationalism in 1816 to a free trade position by 1828. However, he operated on the fringes of the free trade movement, sympathetic in principle, but personally more concerned with state rights. After the Nullification Crisis, his political career closely aligned with the growing sectional controversies over slavery and states rights, while his involvement with trade policy receded.

The Compromise Tariff of 1833 attempted to harmonize the respective interests of nationalists and free-traders and defuse the Nullification Crisis through a face-saving initiative. The 1833 bill scheduled tariff reductions over the next nine years. It mollified nationalists by back-loading the tariff reductions and satisfied free traders by doing away with many of the discriminatory features of the American System.

Debates about trade policy between 1824 and 1833 were characterized by bitter factionalism, primarily the consequence of early American industrialization. Because the process was largely confined to the Northeast in the 1820s, the tariff issue was fought along geographical lines during this period. However, traditional differences over ideas of political economy remained an integral element of the tariff debates, linking these years with the past.

The Tariff of 1833 only amounted to a truce. During the next nine years, the Second Party system emerged on the American political landscape. Economic nationalists migrated with Henry Clay and John Quincy Adams to form the new Whig party. Most free-traders and old

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<sup>5</sup> Resistance to encroaching federal power against minority rights formed the basis for nullification doctrine, Ford, Jr., *Origins of Southern Radicalism*, 123-136; Freehling, *Prelude to Civil War*, 159-168; for a more detailed description of Calhoun's reasons for endorsing nullification doctrine, see Read, *The Political Thought of John C. Calhoun*, 174-178;



Quids allied themselves with Andrew Jackson's Democratic Party. The parties sharply differed on trade policy, causing the tariff to become a major issue in the 1840 election.

### **The Philadelphia and New York Trade Conventions – 1831**

Free traders and nationalists, anticipating that the tariff and trade policy would be revisited in the near future, attempted to garner enthusiasm for their respective causes and apply pressure on Congress through a convention process. Their efforts were modeled off of the 1826 Harrisburg Convention, which had received significant national attention. In late 1831, a pair of conventions, one for free trade and the other for higher tariffs, were held.

Free trade advocates assembled late fall 1831 to compose a memorial to Congress to promote tariff reform during the upcoming Congress. The convention attracted notable attendees, led by seventy year old former Secretary of the Treasury and "Old Republican" Albert Gallatin. Virginian congressman James Barbour served as the Convention's president. Political economist Condy Raguet and noted Massachusetts merchant Henry Lee also attended.<sup>6</sup>

The Convention's memorial, published in January 1832, summarized key tenets of free-trade ideology. It called for reduced tariffs at a common *ad valorem* rate. The memorial argued that (a) the extinguishment of the national debt would lead to less required federal revenues, and therefore would lower the costs of goods for American citizens, (b) economic favoritism created unintended and negative economic results, and (c) that the high cost of American labor served to stimulate industrialization as strongly, if not more so, than protective tariffs.<sup>7</sup>

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<sup>6</sup> Henry Lee, *An Exposition of Evidence in Support of the Memorial to Congress* (Boston, Massachusetts: The Boston Press, 1832); *Memorial of the Committee Appointed by the Free Trade Convention Held at Philadelphia* (New York: William A. Mercein, 1832); Condy Raguet, *The Principles of Free Trade* (Philadelphia, Pennsylvania, 1840); 11 Reg. Deb. 271 (1832). Raguet was a close friend of Henry Carey, and was an example of a rare free trade advocate from Pennsylvania; Paul K. Conkin, *Prophets of Prosperity: America's First Political Economists* (Bloomington: Indiana University Press, 1980), 215.

<sup>7</sup> *Memorial of the Free Trade Convention*.

The Philadelphia authors sought significantly lower tariff rates, but understood that any reduction over a short time frame could be potentially disastrous. Consequently, they endorsed a transitional period to “wean” American manufacturers off of the protective system. The memorial’s two key proposals were “1<sup>st</sup>. That the duties be so reduced, as to leave, after the extinguishment of the public debt, only that amount of revenue which may be necessary to meet the ordinary exigencies of Government,” and “2<sup>ndly</sup>. That, allowing a reasonable time for a gradual reduction of the existing exaggerated duties on some articles, the duties on all the imported articles not free of duty, be ultimately equalized, so as that the duty on any such article shall not vary materially from the general average rate of all the duties together, or in other words, from a uniform duty ad valorem on all imported articles subject to duty.”<sup>8</sup>

At Philadelphia, free traders argued that lower tariffs benefitted ordinary Americans. They maintained that protection hurt consumers, and particularly the poor. The report attacked the regressive nature of protection, where “the principal commodities, which have been selected for special protection, iron and all the coarser woolen articles of clothing, are, as well as salt, coal and sugar, essentially necessary to all classes of society. The duties laid on such commodities fall therefore, much more heavily in proportion to their means, on the less wealthy classes.”<sup>9</sup>

The Convention findings further contended that protection ran counter to the egalitarian principles of American republicanism. The report pointed out that “the profits of the manufacturers are, by reason of the high duties laid in their favor, greater than the average profits in other pursuits, it is a simple transfer to them of the consumer’s property; a flagrant

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<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

injustice.”<sup>10</sup> Free traders concluded that the tariff appropriated economic wealth from the majority of Americans to benefit a small group of manufacturing capitalists.

The memorialists noted that, absent the national debt, the federal government required only about \$13 million of annual tariff revenues. They concluded that an average tariff rate of 27% could achieve that amount, in place of the 40% existing blended rate. Their recommendation would reduce tariff rates by a third and do away with discriminatory protection.<sup>11</sup>

The Philadelphia free-traders also pointed out the opportunity costs of protection. They asserted that “capital and labor would, if there were no legislative interference, be employed in remunerating pursuits ... the restrictive system is, in every instance, injurious to those branches of industry which do not want special protection.” Anticipating modern economic concepts, the Philadelphia writers noted that “artificially enhancing the price of those commodities which are the products of such manufactures, necessarily enhances also the price of the products of every other branch of industry.”<sup>12</sup>

The convention delegates observed that American labor capital was scarce, which drove up wages. The memorial noted that “The situation in the United States is the very reverse [of Europe] ... the existing rates of wages stimulate industry with a greater force, than in any other country; and, as a natural consequence, a nation encumbered with less indolence or idleness, a population more active, industrious, and we believe, more productive.”<sup>13</sup> In the high-wage state of the American economy, consumers were sufficiently affluent to create demand for products

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<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid. This statement correlates strongly to the Stolper-Samuelson theorem taught in contemporary global economics courses, which states that changes in the price of a good tend to result in corresponding changes in the costs of factor inputs.

<sup>13</sup> Ibid.

and high wages provided capitalists with a motivation to explore wage-saving machinery through industrialization without a need for protective tariffs.

Shortly after the Philadelphia Convention recessed, nationalists convened in New York City. The “Friends of Domestic Industry” issued a report less than a month later, which presented the nationalist counterview. The New York attendees included Senator William Wilkins of Pennsylvania as its president, former representative James Tallmadge of New York as treasurer, and Hezekiah Niles as secretary. Other attendees included Mathew Carey, Charles Ingersoll, and Boston Associates member Abbott Lawrence.<sup>14</sup>

The New York Convention’s memorial, which extolled the economic benefits of protective trade policy, stressed four major points. The first held that nation states were perpetually in economic competition with one another and that it behooved the United States to act accordingly. Second, government possessed the power and capability to “engineer” positive national economic outcomes, and therefore ought to use these powers for the common good. Third, protective policies were responsible for recent economic prosperity in the United States. Lastly, free trade was simply impractical.<sup>15</sup>

The New York report argued that the communal needs of the American nation dictated a policy that would protect it from a hostile international world. The document stated that “Nations are adversary to each other; their commercial intercourse is regulated by treaties always made with a view to relative advantage.” Consequently, “national happiness and national wealth are, therefore, promoted in proportion to the active industry of the community; and that industry

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<sup>14</sup> *Address of the Friends of Domestic Industry, Assembled in Convention, at New York* (New York, 1831).

<sup>15</sup> The New York document spent a significant portion of the text defending the constitutionality of protectionist policies, and pointed to the Commerce Clause for legitimacy. Numerous critics of protection during the 1828 through 1833 time frame questioned the tariff issue on constitutional grounds, including the Philadelphia Free Trade Convention memorial. As this study is focused on the economic implications of the tariff, the constitutional issue is not considered further in this study.

is in proportion to the inducements to labour, arising from the amount and certainty of its remuneration. ... It is, therefore, thought to be a wise policy to multiply the inducements to apply capital to the employment of labour at home.”<sup>16</sup> Their conclusions rejected democratic individualism in favor of community-centered economic goals.

Nationalists exuded an optimistic view that wise legislation could engineer favorable economic outcomes. They claimed that “by increasing the stimulus to labour, resulting from the application of capital, to home production, additional capital can “be generated by an act of legislation.” It is said, that this system “oppresses the many for the benefit of the few.” We, on the contrary, believe, that whilst it benefits all, its highest recommendation is found in its beneficial action upon the many – the laboring classes, the working men.”<sup>17</sup>

Finally, nationalists flatly rejected the practicality of free trade. The report explained that “mistaken and preposterous assumptions of the merits of what is called Free Trade have, under the ever active delusion of British influence, afforded pretexts latterly to the opponents of the protective system, which it is proper to dispel. ... between nations, there is no free trade – there never was – there never can be.” The authors suggested that “the dogmas of free trade, which are said to be taught in some colleges, may serve to inflame youthful imaginations, but, as they have never actuated a practical statesman ...”<sup>18</sup>

The ideas expressed at the Philadelphia and New York gatherings influenced trade policy discourse throughout 1832. For example, Senator Mahlon Dickerson of New Jersey called for a delay in considering the tariff “for the purpose of calling the Senate to avail itself of the views of the intelligent convention lately assembled at New York and Philadelphia ... the views of the gentlemen assembled at these conventions, representing, as they did, a large portion of our most

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<sup>16</sup> *Address of the Friends of Domestic Industry.*

<sup>17</sup> *Ibid.*

<sup>18</sup> *Ibid.*

active and intelligent population in every part of the country.”<sup>19</sup> Representative George Mitchell of Maryland noted that the Philadelphia Convention recommended “such a gradual diminution of duties as would eventually reduce them to the exigencies of Government.” He argued that the Philadelphia gathering “may be considered as fair evidences of public opinion. It was composed of delegates from fifteen different States, from Alabama, on the Gulf of Mexico, to Maine, on the Bay of Fundy ... farmers and planters – merchants and manufacturers – scholars and mechanics – abolitionists and slaveholders, found themselves jumbled together, having but one object in view, the settlement of the tariff on fair and equitable terms.” He contrasted that with the New York convention, which “was composed entirely of Northern manufacturers, men who were up to all the mysteries of the system, and infected with its avarice.”<sup>20</sup> Nationalists reached opposite conclusions. Representative Nathan Appleton charged that the Philadelphia report was long on rhetoric, but short on practicality. He noted that “The Philadelphia Convention of last summer, in their address to the people, make bitter complaints of the inequality, oppression, and injustices of the tariff, but without the slightest specification of the mode and manner in which this inequality and injustice is brought about.”<sup>21</sup>

The political agitation produced by the Philadelphia and New York gatherings, and the impending elimination of the national debt ensured that the tariff would be revisited in 1832. The new round of tariff debates was also impacted by a confluence of related issues. Southern concerns over the political issue of states rights mixed with the economic issues of retiring the debt, the American System and the ever present issue of republican political economy.

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<sup>19</sup> 11 Reg. Deb. 104 (1832).

<sup>20</sup> 13 Reg. Deb. 3327, 3333 (1832); see comments by Thomas Bouldin (VA), 3225, 11 Reg. Deb. 1334 (1832); see comments by Robert Hayne (SC), 11 Reg. Deb. 104 (1832).

<sup>21</sup> 13 Reg. Deb. 3189 (1832); see comments for George Evans (ME), 3436.

### American Trade and the National Economy: 1824 to 1833

Between 1824 and 1832, the United States established high tariff barriers, crafted to discourage, or even outright prohibit, the importation of certain foreign products. The available data suggests that the tariff acts of 1824 and 1828 successfully provided some protection to domestic producers, but they fell well short of creating the self-sufficient domestic economy that the most ardent protectionists hoped for. Americans continued to engage in significant trade with foreign nations.

Figure 8.1 compares the average tariff rate in effect on all imports (both dutied and “free”) from 1816 through 1835, comparing it to the “openness” of trade (the ratio of total imports and exports to gross domestic product). The higher tariff rates reduced trade. However, the reduction occurred at a diminishing rate, suggesting that the dream of an exclusive American economy was not feasible.



**Figure 8.1. American Foreign Trade, 1816 to 1835 (3 year rolling average)**

Source: Carter, et al., eds., *Historical Statistics*, 1:30, 3:24.

One of the protectionist goals in the 1820s was to restrict imports. Table 8.1 measures the degree to which American trade policy impacted imports between 1824 and 1835:

**Table 8.1.** Tariff Rates, Imports, and Imports per Capita, 1820-1835

Year	3 year Trailing Tariff Rate	Imports (in millions)	Imports per Capita
1820	27.4%	\$ 74	\$7.69
1821	33.8%	\$ 55	\$5.56
1822	36.1%	\$ 80	\$7.85
1823	40.7%	\$ 72	\$6.86
1824	42.1%	\$ 72	\$6.67
1825	46.3%	\$ 90	\$8.10
1826	46.8%	\$ 78	\$6.42
1827	48.0%	\$ 71	\$6.02
1828	47.0%	\$ 81	\$6.66
1829	48.8%	\$ 67	\$5.35
1830	50.9%	\$ 63	\$4.88
1831	50.8%	\$ 96	\$7.23
1832	46.8%	\$ 95	\$6.95
1833	37.4%	\$101	\$7.17
1834	29.9%	\$109	\$7.52
1835	24.0%	\$137	\$9.18

Source: Carter, et al., eds., *Historical Statistics*, 1:30, 5:498-499, 510.

The above data suggests that while the Tariff of 1824 failed to significantly slow down imports to the United States, the Tariff of 1828 temporarily succeeded in doing so. The rate of imports per capita dropped sharply in both 1829 and 1830. However, this protective shield wasn't permanent, as imports per capita bounced back in 1831 and 1832.

A further review of tariff revenue sources after 1828 sheds some explanatory light on the dynamics influencing American imports. Table 8.2 summarizes the annual duties collected as a percentage of all imported goods as well as those classified as "dutable." The difference ("spread") between these two measures represents imports exempt from duties. A higher spread demonstrates that a greater proportion of imports were admitted duty free.



**Table 8.2.** Annual Tariff Rates on Imports: Dutiable and Total Goods, 1828-1835

Year	Imports (in millions)	Duty Rates on Total Imports	Duty Rates on Dutiable Imports	Spread
1828	\$ 81	44.74%	47.59%	2.85%
1829	\$ 67	50.73%	54.17%	3.44%
1830	\$ 63	57.32%	61.69%	4.37%
1831	\$ 96	44.23%	47.38%	3.15%
1832	\$ 95	38.97%	42.96%	3.99%
1833	\$101	28.99%	38.25%	9.26%
1834	\$109	21.83%	40.19%	18.36%
1835	\$137	21.25%	40.38%	19.13%

Source: Carter, et al., eds., *Historical Statistics*, 5:498-499, 510.

The spread remained fairly constant between 1828 and 1831, but increased significantly in 1832. This suggests that a significant shift in the composition of American imports took place after passage of the Tariff of 1832. The mix of imports included greater proportions of “duty free” goods and a smaller proportion of protected goods such as iron and cloth manufactures.

Figure 8.2 measures the standard of living for average Americans between 1816 and 1835 by charting the real gross domestic product per capita on a trailing three year average. The 1820s was a decade of modest growth rates, including some temporary small declines in national productivity, but this pattern changed in the latter part of the decade as growth rates boomed between 1828 and 1832. Nationalists maintained that this empirical evidence validated a positive correlation between the American System and national economic prosperity.



**Figure 8.2.** American GDP per Capita, 1816 to 1835 (in real dollars = 1996) (3 year rolling average)

Source: Carter, et al., eds., *Historical Statistics*, 5:498, 510; “Measuring Worth,” <http://www.measuringworth.org/usgdp/>.

The growth in real GDP per capita after the Tariff of 1828 was simultaneously accompanied by a dramatic increase in national industrial output. Figure 8.3 illustrates the growth in American manufacturing from 1820 through 1835. While national industrial output increased an impressive 42% in the seven years from 1820 to 1827 (a 6.0% straight-line rate per annum), it increased by an astonishing 76% during the seven years between 1828 and 1835 (a 10.9% annualized rate). This data demonstrates that the Industrial Revolution was firmly rooting itself into the American economy. It also provides strong circumstantial evidence to claim that protectionist tariff policy provided some assistance to American industrialization, though it should be noted that technological advancements in transportation surely contributed as well.<sup>22</sup>

<sup>22</sup> Unfortunately, the 1830 census does not provide the same detailed manufacturing information contained in the 1820 census. Consequently, it is difficult to assess industrialization on a regional basis from 1820 to 1830.



**Figure 8.3.** American Industrial Production, 1820-1835

Source: Carter, et al., eds., *Historical Statistics*, 3:23-24. The above information was compiled by Joseph H. Davis and represents the best estimates to date from somewhat imperfect data of what the United States manufacturing output was during the nineteenth century. Note that the Davis Index uses base year 1849-1850 as 100.

Consequently, the 1832 tariff debates opened against the backdrop of a national economic expansion. Both nationalists and free traders confidently argued their cases within that context. Nationalists pointed to positive economic trends as evidence that the American System was working. Classical liberals asserted that free trade would lead to even greater economic prosperity.

### **The Tariff of 1832**

Although the Tariff of 1828 raised American tariff duties to their highest level to date, imports did not significantly drop, to the surprise of both protectionists and free traders. Imports, which totaled \$81 million in 1828, initially dropped to \$67 million and \$63 million in 1829 and 1830, respectively. However, they quickly rebounded to \$96 million in 1831 and \$95 million in 1832.<sup>23</sup>

<sup>23</sup> Carter, et al. eds., *Historical Statistics*, 5:510.

The unforeseen side benefit of this development was the rapid retirement of the national debt. In 1816, after the war, the debt stood at \$127.3 million. In the twelve years between 1816 and 1828, the balance was slowly reduced to \$67.5 million. In the four years following the Tariff of Abominations, the debt was reduced by another \$43.4 million. By the end of 1832, the outstanding balance was only \$24.3 million and at the end of 1833 it was only \$7.0 million.<sup>24</sup>

Retiring the national debt impacted trade policy because, in theory, less tariff revenues would be needed to maintain the federal government. Both free traders and economic nationalists agreed that, at a minimum, the tariff needed to cover the costs of the federal government. However, a reduced federal budget potentially encumbered the nation's ability to provide protective trade barriers if tariff rates were correspondingly lowered.

A drastic change in the tariff structure was necessary if one accepted the premise that the federal government should not be accumulating surplus funds. The United States paid \$11.4 million, \$16.2 million, and \$18.1 million in debt service (principal plus interest) in the years 1830, 1831, and 1832, respectively, representing 45.7%, 56.7%, and 56.7% of total federal government revenues for those three years.<sup>25</sup> Customs duties generated \$21.9 million, \$24.2 million, and \$28.5 million of revenues between 1830 and 1832, representing 88.2%, 84.9%, and 89.3%, respectively, of all of the nation's revenues. It was mathematically impossible to substantially reduce federal revenues without reducing tariff duties.<sup>26</sup>

Free traders recognized that the debt retirement represented an opportunity to attack the Tariff of Abominations, and they called for a drastic reduction in the duties schedule. They also sought to eliminate specific duties and replace them with uniform *ad valorem* rates. These actions

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<sup>24</sup> Ibid., 5:96.

<sup>25</sup> Ibid., 5:80, 91.

<sup>26</sup> Ibid., 5:82.

conformed to the long-standing free trade position that tariffs should only be high enough to support a thrifty federal government, and without any preferential economic treatment.

Economic nationalists realized that retiring the national debt threatened the protectionist agenda. They devised an alternate solution to the situation that addressed a treasury surplus and buttressed other parts of the American System by introducing the principle of distribution. The American System was premised upon three major policy initiatives, including protective tariffs, a national bank and internal improvements. Economic nationalists viewed all three elements as a rational role for government to encourage national economic growth.

Distribution, in contrast to national banking, was more closely linked to the tariff question. Economic nationalists believed that high-cost internal improvements, including the building of roads, canals, and other infrastructure investments, were important for the national economy, but difficult to accomplish through the private sector because of capital constraints. Previously, states had provided some assistance for such projects, the most prominent example being New York's Erie Canal. However, there were concerns that federal sponsorship of internal improvements was unconstitutional. In 1820, President Monroe vetoed the Cumberland Road Bill, which designated federal funds to repair the National Road and authorized tolls for the recovery of costs. Monroe concluded that the federal government lacked the constitutional authority to engage in internal improvements short of a constitutional amendment.<sup>27</sup> In 1830, Andrew Jackson vetoed the Maysville Road and Washington Turnpike bills, again arguing that a constitutional amendment was required, though he qualified his arguments to suggest that he personally viewed internal improvements as necessary and desirable.<sup>28</sup>

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<sup>27</sup> Noble E. Cunningham, Jr., *The Presidency of James Monroe* (Lawrence: University Press of Kansas, 1996), 165-166.

<sup>28</sup> Donald B. Cole, *The Presidency of Andrew Jackson*. (Lawrence: University Press of Kansas, 1993), 64-66.

The pragmatic solution to the constitutionality issue, in lieu of a constitutional amendment, was the concept of distribution. Distribution involved a nuanced remedy: the federal government would supply funds to the states, which would serve as the conduit for making actual internal improvements. There was no constitutional prohibition on what states could do, and under the distribution scenario, the federal government skirted the constitutionality dilemma.

Tariffs and distributions, therefore, were highly correlated issues because every dollar appropriated for the purpose of distributions translated to another dollar necessary for the federal government. Since the tariff was the predominant source of federal revenues, a distribution program created a demand for higher tariff revenues. Economic nationalists envisioned an aggressive distributions program funded by high tariffs, which would simultaneously render protection to targeted industries.

The upcoming 1832 presidential election year provided ideal conditions for the tariff to again be a prominent agenda item in Congress. South Carolina's George McDuffie suspected that Henry Clay and manufacturing interests had sufficient reason to make it so. He noted that "By a singular fatality, illustrating the pernicious connexion between the Presidential election and the tariff, the protection of each successive tariff has only been deemed sufficient for four years, and the necessity of increasing it has always become apparent just in the midst of the canvass for the Presidency ... I think it not improbable that a similar demand would have been made now."<sup>29</sup>

The House of Representatives and the Senate simultaneously commenced tariff deliberations in early 1832. Debate lasted well into the summer, competing with the re-charter of Second Bank of the United States for time. These twin topics dominated the second session of the Twenty-Second Congress, with the tariff receiving the greater portion of the calendar.

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<sup>29</sup> 13 Reg. Deb. 3146 (1832).

House proceedings were complicated by the fact that two different committees reported tariff bills. On February 8, the Committee of Ways and Means, chaired by George McDuffie of South Carolina, presented a free-trade oriented tariff proposal calling for an ad valorem rate of 12.5% rate on all dutiable goods by 1834. It was premised on establishing a low ad valorem tariff rate, affording only incidental protection, and producing revenues only for the minimally necessary costs of the federal government. Three months later, on May 23, the Committee on Manufactures, chaired by ex-president John Quincy Adams, offered a competing nationalist oriented bill. The Committee on Manufactures draft proposed an approach similar to the Tariffs of 1824 and 1828, where industries such as cotton manufactures, woolens, iron, and specified others would be provided high tariff protection.<sup>30</sup>

The House tariff debates were conducted with the threat of nullification by South Carolina in the background. South Carolina's George McDuffie reacted to the Adams draft by arguing that "the people of the South, charged with disloyalty to the Union, agree that a tribute of twelve and a half percent, should be levied upon their productions ... while the Union-loving people of the North are resolved to put the Union itself in eminent jeopardy, unless their brethren of the South will reduce themselves to absolute vassalage, by consenting to bring to the mercenary altar of this manufacturing idol three times the proposed amount of tribute." He warned that "South Carolina will not submit to the tariff ... I beseech gentlemen, therefore, not in a spirit of menace, but of admonition, and "more in sorrow than anger," to pause for a moment, and to calculate the consequences which may possibly ensue ... the dissolution of the Union, come when it may, will be a calamity to us all."<sup>31</sup> Nathan Appleton retorted that "I am perfectly aware that this state of excitement exists in South Carolina. I believe that a spark only is wanting to light it into a blaze

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<sup>30</sup> 11 Reg. Deb. 1442 (1832), 12 Reg. Deb. 1763 (1832), 13 Reg. Deb. 3090 (1832).

<sup>31</sup> 13 Reg. Deb. 3125, 3168-3170 (1832); see comments by William Drayton (SC), 3262.

... I, sir, venture a counter prophecy ... that it will be ranked with those delusions which should teach mankind a mortifying lesson of humility ... is South Carolina prepared to abandon the Union, and meet the horrors of a civil war?”<sup>32</sup>

Tensions were heightened by renewed charges that South Carolina had inaugurated the protective system by supporting the Tariff of 1816. Nathan Appleton declared that “The tariff of 1816 was a South Carolina measure, introduced and advocated by the most eminent of her sons.”<sup>33</sup> McDuffie countered, asserting that Southern nationalism was now “Blasted, sir, utterly blasted, by the consuming and withering course of a system of legislation which wages an exterminating war against the blessings of commerce, and the bounties of a merciful Providence, and which, by impious perversion of language, is called “protection!””<sup>34</sup> .

Nationalists pressed their case for distribution and a protective tariff. Congressman Andrew Stewart of Pennsylvania pointed out that extinguishing the federal debt was insufficient cause for changing trade policy, arguing that protection was still necessary to grow a strong national economy. He remarked that “if the payment of the public debt is to be made the occasion of adopting an opposite system – of arresting the progress of internal improvement – of prostrating our manufactures – paralyzing our agriculture – depressing and degrading the free labor of this country – demoralizing its character ... the payment of the public debt would be converted into the most blighting and withering curse that ever afflicted any people.”<sup>35</sup> He reminded the House of the symbiotic nature of the economy, where “encouragement afforded to manufactures, by increasing the demand, would improve the price of agricultural productions, while, by increasing the quantity, it would reduce the price of manufactured goods.” He remarked that in 1828 “we

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<sup>32</sup> Ibid., 3199, 3209.

<sup>33</sup> Ibid., 3209.

<sup>34</sup> Ibid., 3153.

<sup>35</sup> Ibid., 3278-3279.



were then told ... by all its opponents, that this bill, if passed, would destroy the revenue, compel a resort to direct taxation, annihilate commerce, ruin the farmers, and crush the community under an intolerable load of taxes and burdens.” Stewart then asked “what has been the result? ... it has paid off your national debt ... Commerce, like the revenue, has increased and flourished beyond all former example. Has it ruined the farmer and wool grower? Let them answer; they will tell you their business was never more prosperous.”<sup>36</sup>

Economic nationalists pointed to a prosperous economy and tried to link it to their policies. Stewart noted that “manufactories have sprung up in a large portion of the country; not in one town, not in one district, but everywhere; and, like the dews, and rains, and sunshine from heaven, stimulating everything, and furnishing food for everybody ... by which the farmer, the mechanic, the laborer, the merchant, the entire circle of society, is benefitted.”<sup>37</sup> Appleton pointed out the residual benefits to consumers, noting that “the article which in 1816 sold for thirty cents the square yard, sold, in 1819, at twenty-one cents; in 1823, seventeen cents; 1826, thirteen cents; in 1829 nine and even eight and a half cents.”<sup>38</sup> Stewart caustically added that “our manufacturers now supply the South with cotton goods at one-fourth of their former price, and this they call plunder; woolens at one half, and this is robbery; glass, paper, lead, and many other articles, at one-third of their former cost, and this is oppression!”<sup>39</sup>

Great Britain’s trade policies continued to deeply influence American policy makers. Nathan Appleton argued that “The American system originated, perhaps, as much as anything, in the endeavor to counteract the constant tendency of our relations and trade with England to create

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<sup>36</sup> 12 Reg. Deb. 1569 (1832).

<sup>37</sup> 13 Reg. Deb. 3175, 3182 (1832).

<sup>38</sup> 12 Reg. Deb. 1603 (1832).

<sup>39</sup> 13 Reg. Deb. 3271 (1832); see comments by Nathan Appleton (MA) noting the benefits of the protective tariff to the South, 3203.

balances against us, which must be paid in specie.”<sup>40</sup> He concluded that protection was absolutely necessary to offset British economic superiority. However, George McDuffie reminded the House that changes were underway in Great Britain, remarking that “the corn laws are almost the only remaining monument of the folly and injustice of former times ... the spirit of reform is abroad in England ... I hope to see the march of liberal principles illustrated in both hemispheres by the contemporaneous overthrow of the English corn laws and the American restrictions. ... free trade is the great doctrine of political reformation in modern times; it is to the commerce and the social condition of nations what the reformation of Luther was to the christian religion.”<sup>41</sup>

Tariff advocates warned that a sudden abandonment of protection would be economically catastrophic and would abandon implicit promises made to manufacturers. Representative George Evans of Maine maintained that “this Government has enacted laws repeatedly, and with a declared intention to maintain them, for the protection of American industry. It has held out inducements for the investment of capital in manufactures; and capital has taken that direction, agreeably to the anticipations and wishes of Government. It is there fixed.”<sup>42</sup> Representative Rufus Choate of Massachusetts added that “the relation of this Government to these interests is peculiar and responsible. It is a parental relationship. Your legislation created them. You invited this property into this investment. You enticed these laborers into this vineyard. You called this capital from the land and the seas; you sought it out, and found it where it lay safe, diffused, and dormant, and embodied and fixed it in establishments and occupations from which

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<sup>40</sup> Ibid., 3196.

<sup>41</sup> Ibid., 3164-3167; see comments supporting McDuffie’s position by Senator Robert Hayne (SC), 11 Reg. Deb. 95 (1832), and Senator Gabriel Moore (AL), 11 Reg. Deb. 589 (1832).

<sup>42</sup> 13 Reg, Deb. 3434 (1832).

it cannot be extricated without ruin to its confiding owners. This consideration, in a great degree, determines the duty of this government.”<sup>43</sup>

Growing American industrialization and increasing numbers of American factory workers introduced labor as a new issue within the tariff debates. Chilton Allan of Kentucky posited that protection benefitted American workers, hinting that a form of class warfare between free labor and slavery was at the crux of the trade policy issue. Allan reasoned that “if the protective system is abandoned, one of two things must follow – manufacturing must cease, or wages will be reduced to the standard of England and Ireland ... let us not, in such a rash and foolish experiment, to gratify the insatiable avarice of the greedy planters, barter away the most precious of God’s gifts – that lofty, manly spirit of independence which swells in the bosom of the free enlightened laborer.”<sup>44</sup>

Free traders continued to critique the redistributive effects of protective tariffs. Virginia’s Thomas Bouldin charged that the tariff primarily benefitted the rich, remarking that “the influence exerted by the wealthy, as discovered in the process of the protecting system, is, in the highest degree, appalling. How is it, sir, that sugar comes to be the great interest of the State of Louisiana? A comparative few of her citizens get a share of the bounty; yet her whole delegation votes to burden her population, not with the duty on sugar only, but with this whole scheme of complex exaction. A few hundred men in the receipt and disbursement of four or five millions annually, hold a commanding influence.”<sup>45</sup>

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<sup>43</sup> *Ibid.*, 3516.

<sup>44</sup> *Ibid.*, 3309-3310; see comments by Nathan Appleton (MA) that protection would raise labor wages above the subsistence levels that David Ricardo argued as the natural equilibrium, 3206; see also comments by Andrew Stewart (PA) that free trade could apply to a slave-based South, but not a free labor North, 3273-3274; see comments by Senators Robert Hayne (SC), 11 Reg. Deb. 93 (1832) and Willie Mangum (NC), 11 Reg. Deb. 324 (1832), suggesting that nationalists were actually thinly disguised mercantilists, as well as Hayne’s description of Adam Smith and David Ricardo, 93-94, and Rufus Choate’s (MA) description of Adam Smith, 13 Reg. Deb. 3522 (1832).

<sup>45</sup> 13 Reg. Deb. 3231 (1832); see comments by Clement Clay (AL), 3464.

John Bell of Tennessee added that the resultant protectionist policies allowed special economic interests to enjoy excessive profits. He stated that “It has been over and over again admitted and avowed that the average profits upon the capital invested in the cotton and woolen manufacture is twenty per cent.”<sup>46</sup> Bell charged that this situation threatened the American egalitarianism, stating that the wealth secured by this system to the manufacturing States is distributed in any equal degree, if at all, between the capitalist, or master manufacturer, and the operative laborer, agricultural or mechanical. It is the capitalist who is benefitted ... by this system the poor are made poorer, and the rich, richer.”<sup>47</sup>

Opponents were appalled at the prospect of adopting the forms of political economy practiced in Europe. They charged that these practices ran counter to American republican principles. Bell asked “what must be thought of an American statesman who would model the policy of these United States upon the basis of the European System? We have what is called an American System; but it is not clear that it is the European system transferred to America.” He highlighted the tradeoffs arising from British policy, asking “What are the trophies of British polity? A few thousand splendid palaces ... three millions of Englishmen, or one-fourth of the population, are, throughout the year, relieved in workhouses or from the poor rates!” Bell argued that the duty of the American federal government should be to promote a “perfect equality of rank, rights, and privileges.” He concluded that the “fundamental object of the Governments established here is to secure the rights, and to promote the prosperity of all in the same degree. All monopolies, all restrictions upon the perfect freedom of the citizen, in regard

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<sup>46</sup> Ibid., 3377. It should be noted that Nathan Appleton of Massachusetts challenged Bell’s point, stating that the present economic situation featured falling prices which were driving profits to levels less than twenty per cent.

<sup>47</sup> Ibid., 3383-3384.

to trade, and every other species of industry not essential to the preservation of the order and morals of society, are directly at war with the very end aim of all our political institutions.”<sup>48</sup>

Free traders challenged nationalist assertions that protection benefitted consumers. Bouldin presented an opportunity cost argument, pointing out that “it is not true that the article is cheaper because it costs less money. The fact is, that labor, and not money, is the true measure of value; and it will now cost me from one and a half to two days’ work to get the same quantity of sugar that one day’s work would have purchased in 1818.”<sup>49</sup> William Drayton added that the true cause of reduced prices was “the diminished cost of production and transportation throughout the civilized world,” a by-product of technological innovation via the Industrial Revolution.<sup>50</sup>

Tariff opponents flatly rejected that any implied pledges had ever been made to manufacturers, referring back to Dallas Report Doctrine to make their point. Richard Wilde noted that, after the War of 1812, “manufacturers, threatened, as they believed, with ruin, earnestly and humbly entreated that the amount [of duties] required as revenue should be so imposed as enable them to bear the shock.” He asked, “What was that pledge? How far did it extend? This will be best seen by an examination of the public documents and speeches of that day. The then Secretary of the Treasury, (Mr. Dallas,) whose zeal for the protection of manufactures was as well-known as his abilities and urbanity, presented a report, in which he divided the American manufactures into three principal classes.” Since Dallas principles

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<sup>48</sup> Ibid., 3357, 3359-3360, 3385-3387. Bell’s concluding thoughts foreshadowed the inevitable growth of capitalism. He went on to state that “there are two distinct systems of policy, perfectly within our power to adopt, and neither of them requiring the assertion of a power to limit individual acquisition. We may leave private and individual enterprise, and private capital, to their own resources, and to make the most they may by all lawful pursuits; or we may, by artificial means, by law, by protection, bounties or premiums, stimulate and force a concentration of the wealth of the country into the hands of a few. We may surely forbear the latter system, without being obnoxious to the charge of novel innovation. But there is a perfectly legitimate and unexceptional process by which the general tendency to inequality in private fortunes, which exist in all societies, may, in some degree, be counteracted. A system of taxation founded upon income would have this effect;” see also comments by Senator Stephen Miller (SC), 11 Reg. Deb. 460 (1832); see comments by Richard Wilde (GA), 12 Reg. Deb. 2486 (1832), 13 Reg. Deb. 3493 (1832); see comments by George McDuffie (SC), 13 Reg. Deb. 3157 (1832).

<sup>49</sup> Reg. Deb. 3232 (1832).

<sup>50</sup> Ibid., 3265.

implicitly considered protection as temporary, Wilde maintained that “I for one Southern man am willing to go back to the Tariff of 1816. Will the representatives of the manufacturing States go with me? You know they will not!”<sup>51</sup>

On June 28, 1832, the House of Representatives voted on a tariff bill modeled off of the Committee on Manufactures proposal. Tariff rates would be lowered to levels approximating those of 1824, but the tariff would retain a protectionist nature. The final vote was a decisive 132 ayes versus 65 nays.<sup>52</sup> The side issue of distribution was deferred to a later date.

Meanwhile, the Senate created its own version of a tariff bill. Though the Constitution required that revenue bills originate in the House, the fact that proposals in both chambers featured reduced tariff revenues created confusion. The Senate, taking the position that this was not technically a revenue measure, separately crafted its own legislation.

Senate free traders attempted a surprise legislative strike in December 1831, when Mississippi Senator George Poindexter laid a resolution on the table calling for the Committee of Finance to research “fixing a rate of duties on foreign imports, not to exceed on any article imported into the United States more than twenty percent.”<sup>53</sup> This effort was intended to preempt a bill from the Committee on Manufactures. The resolution contained the free trader goal of lowering tariff rates and establishing a system based on *ad valorem* rates. The effort failed.

The Senate began formal deliberation of the tariff on January 11, 1832. Henry Clay presented a long speech articulating the goals of the American System in detail, while confessing that “I am getting old; I feel but too sensibly, and unaffectedly, the effects of approaching age; and I have been for some years, very little in the habit of addressing deliberative assemblies.”<sup>54</sup> This

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<sup>51</sup> Ibid., 3495-3499.

<sup>52</sup> Ibid., 3830-3831.

<sup>53</sup> 11 Reg. Deb. 19 (1831).

<sup>54</sup> 11 Reg. Deb. 67 (1832).

was superficial modesty; Clay wanted to direct the course of the tariff debates in an election year when he would be running against Andrew Jackson. Clay contended that the protectionist policies of the previous few years had been successful, noting that “it stands self-vindicated, in the general prosperity, in the rich fruits which it has scattered over the land ... if the term of seven years were to be selected of the greatest prosperity which this people have enjoyed since the establishment of their present constitution, it would be exactly that period of seven years which immediately followed the passage of the tariff of 1824.”<sup>55</sup>

The Kentucky senator confidently explained why the country had prospered. Consumer prices had fallen, and “the most efficient of all the causes of the prices of manufactures articles [was] ... COMPETITION. ... By the American system this vast power has been excited in America, and brought into being to act in cooperation or collision with European industry. Europe acts within itself, and with America; and America acts within itself, and with Europe. The consequence is the reduction of prices in both hemispheres.”<sup>56</sup>

Clay contrasted the American system with free trade in practice. He exclaimed, “When gentlemen have succeeded in their design of an immediate or gradual destruction of the American system, what is their substitute? Free trade! Free trade! The call for free trade is as unavailing as the cry of a spoiled child, in its nurse’s arms, for the moon or the stars that glitter in the firmament of heaven. It has never existed; it never will exist ... we may break down all barriers to free trade on our part, but the work will not be complete until foreign Powers shall have removed theirs.”<sup>57</sup>

He then considered the consequences of retiring the national debt, and steadfastly insisted that the American System should not be compromised. He remarked that “the first question which

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<sup>55</sup> Ibid., 257-258.

<sup>56</sup> Ibid., 281.

<sup>57</sup> Ibid., 266; see rebuttal by Robert Hayne (SC), 94. Hayne expressly denied the validity of Clay’s assertion.

presents itself is, whether it is expedient to preserve the existing duties, in order to accumulate a surplus in the treasury, for the purpose of subsequent distribution among the several States. I think not.”<sup>58</sup> This statement laid the groundwork for a nuanced manner in which to maintain the American System, and provide political advantage in an election year.

Clay’s rejection of tariff proceeds for distributions did not reject internal improvements. Rather, he wanted to use a different revenue source to achieve his objective, namely proceeds from the sale of public lands. Clay hoped that “the appropriation of the proceeds of the public lands, effectual and permanent provision will be made for such internal improvements as may be sanctioned by Congress.”<sup>59</sup> This position indirectly call for higher tariffs, as any redirection of land sales for distributions would require higher tariff revenues since the tariff would now become virtually the only revenue source for funding the national government.

This new structure to fund American System goals led Clay to articulate the specific proposals for the new tariff bill. He tactfully noted that “we may safely assume that the revenue may now be reduced, and considerably reduced. This reduction may be effected in various ways, and on different principles.”<sup>60</sup> Clay identified three potential courses of action:

1. To reduce the duties on all articles in the same ratio, without regard to the principle of protection.
2. To retain them on unprotected articles, and augment them on the protected articles.
3. To abolish and reduce the duties on unprotected articles, retaining and enforcing the faithful collection of those on the protected articles.<sup>61</sup>

He reviewed each approach’s merits and weaknesses. He quickly rejected the first option because it neutralized protective benefits to manufactures. The second option was likewise unacceptable to free traders. Clay concluded that the third alternative was best, noting that it “is

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<sup>58</sup> Ibid., 69.

<sup>59</sup> Ibid., 69-70.

<sup>60</sup> Ibid., 70.

<sup>61</sup> Ibid., 70.



the most equitable and reasonable, and it presents an undebatable ground, on which I had hoped we could all safely tread without difficulty. It exacts no sacrifice of principle from the opponent of the American system; it comprehends none on the part of its friends.” He insisted that this approach should satisfy the South because “it will be relieved at once, as will be hereafter shown, from at least a fourth of its burdens.”<sup>62</sup>

Nationalists reiterated the economic multiplier benefit provided by protection. Nehemiah Knight of Rhode Island stressed that the nation’s economic spheres remained dependent upon each other, insisting that “this thing called trade is so interwoven with the agriculture, manufactures, and navigation of the country, that I will not pretend to follow it in all its ramifications. It is enough to know that each stimulates and promotes the other; that, by aiding and encouraging the one, you assist the other.”<sup>63</sup>

Clay’s supporters endorsed the House observations that consumer prices had fallen with protective tariffs in place. Representative John Davis of Massachusetts pointed out that the price of cotton sheetings per yard had dropped from 28 cents to 8.75 cents between 1818 and 1830, satinets per yard from 90 cents to 55 cents between 1823 and 1832, and flannels from \$18 to \$12 per piece. He stressed that these items were mainstay pieces of typical American wardrobes.<sup>64</sup>

Nationalists stressed the importance of national defense and economic self-sufficiency in light of Great Britain’s military and economic superiority. Senator George Dallas of Pennsylvania judged the American System as essential to national sovereignty when he explained that “its foundation ... is the broad and impregnable principle of national independence; and its object and tendency are to give to the American people ... employment of their own, resources of their own, strength of their own, and happiness of their own; which

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<sup>62</sup> Ibid., 71.

<sup>63</sup> Ibid., 387.

<sup>64</sup> 13 Reg. Deb. 3314 (1832); see comments by House member Tristram Burges (RI), 3644.

cannot be injuriously affected in war or peace, through stratagem or design, by any other people.”<sup>65</sup> Mahlon Dickerson of New Jersey warned that abandoning protection created a scenario where “Great Britain makes war upon our manufactures with a perseverance that is without a parallel, and refuses to take the produce of the Eastern, Western and Middle States. These States have no defence against this system, but to exclude as far as they can the manufactures of Great Britain, by substituting their own.”<sup>66</sup>

A key premise underlying the pro-tariff argument was that the collective goals of the American community should take precedence over individual self-interest. Senator Dallas criticized the egalitarian economy envisioned by many free traders. In response to criticisms that protection catered to economic special interests, he commented that “Capitalists are to be found in every occupation. The disparity of pecuniary means necessarily creates them ... the capitalist, Mr. President, in any general and accessible occupation, is as one to ten thousand. He alone cannot be the object of any law, made in a free and intelligent country. The accident of his superior resources or opportunities is neither known nor regarded.”<sup>67</sup>

Protectionists asserted that their system left Americans free to pursue their personal economic avocations. Thomas Ewing of Ohio noted that “no one is constrained to leave his agricultural pursuits, and become a manufacturer. Agriculture is still open before him, with increased advantages. Manufacturing interest invites him, with even better prospects; and it is this, the hand of beneficence – the hand of Government – which is extended to save the sinking hopes of its citizens.”<sup>68</sup>

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<sup>65</sup> 11 Reg. Deb. 469-470 (1832).

<sup>66</sup> *Ibid.*, 171; see comments by Senator Asher Robbins (RI), 498; see comments by House member Tristram Burges (RI), 13 Reg. Deb. 3651 (1832).

<sup>67</sup> 11 Reg. Deb. 474 (1832).

<sup>68</sup> *Ibid.*, 424.

Free traders responded that eliminating the national debt should signal the end of protective tariffs. Robert Hayne proclaimed that “the period so long and so anxiously looked for and desired, had at length arrived. The public debt was paid for ... and the question necessarily arose, what adjustment of the tariff of duties was to be made in this new and most gratifying condition of our affairs?” Hayne readily responded to his own question, declaring that “upwards to \$12,000,000 per annum ... will cease to be a charge upon the country, and to this extent, at least, the people have a right to expect an immediate reduction of their burdens.”<sup>69</sup>

The anti-tariff forces charged that nationalists remained guilty of violating the original Dallas Report principles established in 1816. Senator Hayne claimed that protectionists consistently misrepresented their policies as temporary, when their true intent was to make them permanent. He asked “where is there to be found a fulfillment of the promises held out to the South in 1824? We were then told that we had mistaken the true character of this system. We were entreated only to try it for a short time. We were told that the taxes imposed on foreign articles would be but temporary; that the manufactures would want protection for but a short time – only to give them a start ... after the experience of four years, the tariff of ’28 came up for consideration, by which the protecting system was to be further extended and enlarged. And what was found to have been the result of four years’ experience at the South? Not a hope fulfilled, not one promise performed – and our condition infinitely worse.”<sup>70</sup>

The liberals contended that the American economy had thrived in spite of the American System, and that prosperity would have been greater in its absence. They observed that industrialization lowered worldwide prices, and contended that protectionist policies limited the

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<sup>69</sup> Ibid., 75-76; Hayne noted that Clay’s third alternative enriched special interests while placing economic burdens on ordinary citizens. He also suggested that the tariffs of 1824 and 1828 must have failed, since large duty revenues collected since their enactment had rapidly paid down the national debt, see 76, 78, 91, 97-98.

<sup>70</sup> Ibid., 81; see comments by Felix Grundy (TN), 394.

savings that American consumers should have enjoyed. Senator Isaac Hill of New Hampshire argued that “it is not to the high tariff we are to attribute the prosperity of the country. It is to other causes, which have produced an equal prosperity to the neighboring British provinces, where there are no protecting duties in force, and where the taxes on necessary articles are scarcely one-tenth what they are in the United States.”<sup>71</sup>

Supporters of a “revenue only” tariff charged that the American System was the antithesis of an egalitarian republic. Senator Willie Mangum of North Carolina noted that, “to a superficial observer, ours seems to be ... a Government of the many for the many. A closer investigation discloses the truth, that it is, practically, a Government of the smallest possible majority over the largest possible minority ... wielded by a combination of monopolists, capitalists, and adventuring politicians, who divide among themselves the richest spoils of their triumphs, and throw but a crumb – if, indeed, so much – to the mere serfs of party.”<sup>72</sup> He considered the current tariff structure “essentially sectional and selfish, and as gradually, but surely, undermining the fabric of our noble institutions ... equality under the present system of taxation is wholly unattainable.”<sup>73</sup> Alabama’s Gabriel Moore added that “we have an overflowing treasury; but there are some wealthy owners of large sugar plantations in Louisiana, some cotton and woolen factories in the Eastern and Northern States, some wealthy owners of iron works in New York and Pennsylvania, salt works and salt factories, and some cotton bagging factories in Kentucky; they are all in a high state of prosperity, it is true, but they are not satisfied, and it is for their benefit we demand of you this tribute and tax.”<sup>74</sup> Virginia’s John Tyler charged that Clay’s “system” operated beyond the federal government’s rightful role, maintaining that “this

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<sup>71</sup> *Ibid.*, 250; see comments by House member Richard Wilde (GA), 13 Reg. Deb. 3478, 3502 (1832).

<sup>72</sup> 11 Reg. Deb. 316 (1832).

<sup>73</sup> *Ibid.*, 302-303

<sup>74</sup> *Ibid.*, 561.

system is calculated to win by high rewards, rather than by conviction. It elevates the money principle above the influence of moral and just political causes. It appeals to the motives of self-interest, in place of those high and lofty motives which should alone control.”<sup>75</sup>

The threats of nullification and sectional animosities created high anxiety on the Senate floor. At times, exchanges became quite personal. Senator Mahlon Dickerson of New Jersey brought up an example of the increasingly confrontational attitudes gripping the nation. He shared portions of an article circulating in the South entitled “Call to Arms.” It stated that “the crisis is now coming when our politicians – I mean our popularity hunters, will discover that none but whig principles will prevail ... There will be a hard struggle for it. The United States’ bank, the sugar planter, the iron master, and the Lowells and Appletons, will die hard.”<sup>76</sup> Another instance occurred when Henry Clay volleyed a vitriolic attack on Albert Gallatin, the chair of the Philadelphia Free Trade Convention, declaring that:

the gentleman to whom I am about to allude, although long a resident of this country, has no feelings, no attachments, no sympathies, no principles, in common with our people. Nearly fifty years ago, Pennsylvania took him to her bosom, and warmed, and cherished, and honored him; and how does he manifest his gratitude? By aiming a vital blow at a system endeared to her by a thorough conviction that it is indispensable to her prosperity. He has filled, at home and abroad, some of the highest offices under this Government, during thirty years, and he is still at heart an alien. The authority of his name has been invoked, and the labors of his pen, in the form of a memorial to Congress, have been engaged, to overthrow the American system, and to substitute the foreign. Go home to your native Europe, and there inculcate upon her sovereigns your Utopian doctrines of free trade, and when you have prevailed upon them to unseal their ports, and freely admit the produce of Pennsylvania, and other States, come back, and we shall be prepared to become converts, and to adopt your faith.<sup>77</sup>

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<sup>75</sup> *Ibid.*, 358; see further comments by senators Willie Mangum (NC), 324, Felix Grundy (TN), 399, and Isaac Hill (NH), 248-249, as well as House members Dixon Lewis (AL), 13 Reg. Deb. 3572, 3575, 3584 (1832) and Richard Wilde (GA), 3477-3478, 3504.

<sup>76</sup> 11 Reg. Deb. 173; see comments by John Davis (MA), 13 Reg. Deb. 3315 (1832).

<sup>77</sup> 11 Reg. Deb. 267 (1832).

Clay's comments sparked an uproar, and several senators vociferously objected to them. South Carolina's Stephen Miller, sarcastically referring to Clay's attack on Gallatin, stated that "I was the more surprised to hear the denunciation of this gentleman, since, at the Free Trade Convention, he was looked upon with some jealousy for his supposed political partiality to the Senator from Kentucky. We live in strange times, and seem to be acting the Midsummer Night's Dream – those we woo, turn from us; and those who woo, we turn from." Miller wryly noted that "The gentleman [Clay] is not backward in retaining foreigners in his ranks. I will not say to Mr. Carey, "Go Home." I am willing that that he may still remain, and shed any light he may possess in favor of the principles he thinks right."<sup>78</sup>

The political atmosphere surrounding Congress throughout the winter and the summer of 1832, with threats of nullification, acrimonious political confrontation between the Jackson and Clay factions over the National Bank, and the tariff debates, was painful evidence that the Republic faced a severe political crisis. Against this background, venerable Senator Samuel Smith of Maryland urged his colleagues to find a solution to the crisis at hand. Smith, just shy of eighty years of age, was the last remaining member of the founding generation still active in national government. He had served in the Revolution, sat in the Third Congress, and led the defense of Baltimore in 1814.<sup>79</sup> Smith rose from his seat, stating "we have arrived at a crisis ... at a crisis more appalling than a day of battle." He identified the salient issue, acknowledging that "South Carolina has expressed itself strongly against the tariff of 1828 – stronger than the other States are willing to speak. But, sir, the whole of the South feel deeply the oppression of that tariff ... the whole Southern States – all, consider it as oppressive." The Senate patriarch charged that economic interests were the problem. The culprits were "the rich, who entered into

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<sup>78</sup> *Ibid.*, 460; see comments by Isaac Hill (NH), 256, 300, 302, and Felix Grundy (TN), 397.

<sup>79</sup> *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=S000609>.

the business [of manufactures] after the act of 1824 ... the capitalist who had invested his capital in manufactures, was not to be satisfied with ordinary profits, and therefore the act of 1828.” Smith concluded that workers were the losers in this situation; it was “the handicraft man – the blacksmith – the whitesmith – the workers of bar iron, [who] are all cruelly oppressed by the heavy duty on that all-important article [of iron]. ... Why? They are not rich – they must be sacrificed to the rich iron master ... if you intend that this country shall be a manufacturing country, you must give the manufacturers the raw material (as England does) free of duty, or with very light duty.”<sup>80</sup>

Smith saw the root of the present crisis in the harmful impact of special economic interests. He observed that “when the Senate met [to open the present session], there was a strong disposition with all parties to ameliorate the tariff of 1828; but I now see a change, which make s me almost despair of anything effectual being accomplished. Even the small concessions made by the Senator from Kentucky, [Mr. Clay,] have been reprobated by the lobby members, the agents of the manufactures. I am told they have put their fiat on any change whatsoever, and hence, as a consequence, the change in the course and language of gentlemen, which almost precludes all hope. Those interested men hang on the Committee of Manufactures like an incubus.”<sup>81</sup>

Henry Clay redirected his verbal assault, seeking to discredit Smith by accusing him of holding inconsistent positions on trade policy over the course of his tenure in Congress. Clay haughtily declared that “it comes, then, to this: The honorable gentleman was in favor of protecting manufactures, but he had turned – I need not use the word – he has abandoned manufactures. Thus, “Old politicians chew on wisdom past, and *totter* on in business to the

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<sup>80</sup> 11 Reg. Deb. 186-187 (1832).

<sup>81</sup> *Ibid.*, 186; see supporting comments by Isaac Hill (NH), 253.

last.”” Smith angrily retorted, “The last allusion is unworthy of the gentleman. Totter, sir, I totter. Though some twenty years older than the gentleman, I can yet stand firm, and am yet able to correct his errors. I could take a view of that gentleman’s course, which would show how inconsistent he has been.” Clay interrupted, exclaiming “Take it, sir, take it, I dare you.” As the Vice President attempted to bring the chamber to order, Smith cried “No sir ... I will not take it. I will not so far disregard what is due to the dignity of the Senate.”<sup>82</sup>

Even though the Senate was well aware of a crisis, finding a middle ground solution proved elusive. The nullification threat served to harden positions. Nationalists insisted that the majority view should prevail. Rufus Choate argued that “the greatest good of the greatest number; regardless where or on whom the particular hardship which all general policy must produce shall fall ... the moral right of the minority is that the majority shall exercise a sound discretion in good faith. The moral duty of the minority is acquiescence.”<sup>83</sup> A few free traders, searching for a compromise, acknowledged that some level of moderation in a reduction might be necessary. Robert Hayne, the leading Senate spokesman for laissez-faire, made clear that “we do not propose to destroy, or even injure, the manufacturers. We are willing they should have the incidental protection afforded by a fair revenue system ... we do not insist on an immediate reduction to the lowest revenue standard. As the public debt is not yet paid, we are willing that the reduction on the protected articles should be gradual, and spread, if gentlemen please, over two or three years.”<sup>84</sup>

Though the 1832 debates were characterized by loud rhetoric and unyielding positions due to the intensifying crisis, they also featured some degree of continuity with previous trade policy confrontations. Many senators still viewed the trade policy debate as a competition between the

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<sup>82</sup> *Ibid.*, 296-297.

<sup>83</sup> 13 Reg. Deb. 3514 (1832).

<sup>84</sup> 11 Reg. Deb. 99-100 (1832); see comments by Felix Grundy (TN), 409, and Isaac Hill (NH), 227-228, 244-245.



three great economic spheres of agriculture, commerce, and manufacturing. Proponents of agriculture and commerce often concluded that economic favoritism for manufactures came at their expense. John Tyler of Virginia, whose state was not heavily invested in commerce, nonetheless pointed out the general impact of the tariff upon the American maritime was “another of the bitter fruits of the American system.” He noted that “This noble manufacture, the ship, in which America had outstripped the world, employing, as it does, twenty times the amount of domestic labor and capital, with the highly favored iron business, is made but a secondary matter, and is threatened with a continuance of the destroying influences of a system the most short-sighted, oppressive, and unjust, that civilization has ever tolerated.”<sup>85</sup> Tennessee’s Felix Grundy observed that American commerce was diminishing, and he attributed the trend to the American System. Grundy reported that the nation’s tonnage engaged in foreign commerce was 809,724 tons in 1817, but had dropped to 650,142 tons by 1829. In comparison, the national tonnage engaged in the coasting trade had increased from 519,186 tons in 1817 to 610,654 in 1829.<sup>86</sup>

Agricultural interests complained that they also were economically harmed by the tariff. Stephen Miller of South Carolina, on behalf of agriculture, asked, “Shall the primary interest of the country be sacrificed to a secondary one? Shall those who till the ground be made tributary to those who handle the shuttle?”<sup>87</sup>

On March 30, the Senate laid the tariff issue on the table, with the expectation that the Committee of Manufactures would report a final draft of a new tariff bill later in the session. The draft bill was subsequently returned on May 1. However, the Senate waited until early July

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<sup>85</sup> Ibid., 350.

<sup>86</sup> Ibid., 407; see comments by Senator Nehemiah Knight (RI), 382, in favor of the American System’s impact upon commerce and by Representative John Anderson (ME), 13 Reg. Deb. 3787-3788 (1832) against.

<sup>87</sup> 11 Reg. Deb. 439 (1832).

to take up final resolution of the tariff and distribution issues. One feature of the revised tariff bill was a series of amendments to the original draft adjusting the rates on various goods.<sup>88</sup>

The Committee of Manufactures draft essentially moved duties back from the levels established in 1828 to those put in place by the Tariff of 1824. However, the Committee also proposed a series of amendments significantly increasing protection for certain enumerated goods. These amendments were sharply debated by the two great oratory Senate protagonists of 1832, with Henry Clay supporting the protection principle and Robert Hayne opposing it. Throughout the week of July 2, 1832, the opposing factions maneuvered against one another over the various amendments. Table 8.3 tallies the Senate votes on these important amendments. Key industries such as iron, sugar, hemp and wool all received added protection. Certain luxury goods such as coffee and tea were exempted from duties. A few specialized industries, including silver and saddle goods received extra protection as well.

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<sup>88</sup> Ibid., 677, 870, 1161.

**Table 8.3.** Senate Votes on Key Amendments to the 1832 Tariff Bill

Issue	Clay Stance	Hayne Stance	Ayes	Nays
<b><i>Votes held on July 3, 1832:</i></b>				
Duty on flannels capped at 50% ad valorem	<b>Nay</b>	Aye	19	26
<b><i>Votes held on July 5, 1832:</i></b>				
Increase duty on silver from 5% to 25%	<b>Aye</b>	Nay	22	21
Increase duty on saddlery from 10% to 25%	<b>Aye</b>	<b>Nay</b>	21	25
Finished iron products minimum levy at raw iron rates	<b>Aye</b>	Nay	25	20
Sail duck duty changed from 15% to \$.08 per square yard	<b>Aye</b>	Nay	23	22
Cotton bagging duty from \$.035 to \$.040 per square yard	<b>Aye</b>	<b>Nay</b>	22	22
Brown sugar duty from \$.025 to \$.030 per pound	<b>Aye</b>	Nay	24	18
Eliminate all duties on coffee	<b>Aye</b>	Nay	31	14
Eliminate duty on Oriental tea	<b>Aye</b>	Nay	28	15
Increase duty on ladies hats from 30% to 50%	<b>Aye</b>	<b>Nay</b>	22	22
Increase duty on cordage from 25% to 80%	<b>Aye</b>	Nay	26	16
Add duty of 30% for musical instruments	<b>Aye</b>	Nay	25	16
Strike out clause charging non-enumerated imports 15%	<b>Aye</b>	Nay	24	21
<b><i>Votes held on July 5, 1832:</i></b>				
Raise minimum wool ad valorem from 50% to 60%	<b>Aye</b>	Nay	25	23
Establish a 35% ad valorem duty on woolens	<b>Aye</b>	Nay	25	23
Establish a 60% ad valorem duty on woolens	<b>Aye</b>	<b>Nay</b>	24	24
Establish a 57% ad valorem duty on woolens	<b>Aye</b>	Nay	25	23
<b><i>Votes held on July 6, 1832:</i></b>				
Finished iron products minimum levy at raw iron rates	<b>Aye</b>	Nay	26	21
Cotton bagging duty from \$.035 to \$.040 per square yard	<b>Aye</b>	Nay	25	21

Source: 11 Reg. Deb. 1177-1205 (1832). Note that on tie votes, Vice-President Calhoun cast the tie breaking vote in the negative.

Henry Clay and the American System supporters routed Hayne's free traders on virtually every amendment vote. Three of the four successes that Hayne mustered on the above votes were the result of deadlocked roll calls, where Vice-President John Calhoun cast a tie-breaking vote. Even then, Clay eventually got his way on cotton bagging. Though overall tariff rates in the draft bill were lowered, economic nationalists successfully retained the highly protective attributes that had characterized American trade policy since 1824.

Hayne, frustrated in defeat, laid out three major objections to the bill. The first was that the bill's passage affirmed the protective principle. Secondly, the bill retained the features of minimum values and specific duties for certain goods. Lastly, he expected the bill to generate

far more revenues that were required to meet the expenses of the federal government. Hayne summed up the just-finished debate by arguing that “the advocates of the American system insist that the only proper subjects for federal taxation are those foreign articles which enter into competition with similar articles made or produced within the United States, while we in the South contend that there is neither reason nor justice in subjecting to exorbitant taxation every article which we receive from abroad in exchange for our productions.”<sup>89</sup> Edward Everett of Massachusetts, who cast a vote in favor of the tariff, attempted to mollify the minority, stating that “we are all willing to repeal duties; but I pray you be patient; be gradual; feel your way ... above all, sir, do not nullify the law. Do not expose the country to the uncalculated hazards of that step.”<sup>90</sup>

On July 9, 1832, the Senate ratified the Tariff of 1832 by a vote of 32 to 16.<sup>91</sup> The Senate version of the bill included a total of forty-six amendments to the original House bill. When the House received the revisions, it accepted thirty-nine amendments and rejected seven. The House objections included a rollback of the increased duties for brown sugar, sail duck, cotton bagging, as well as reducing the ad valorem on woolens back to 50%. Three days later, the Senate accepted the House’s proposals.<sup>92</sup>

Most Jacksonian Democrats hoped for substantive reductions to the tariff in 1832. They were willing to make reductions gradual in order to prevent sudden negative economic consequences to manufactures. Robert Hayne stated that “I adopted the principle sanctioned by the Free Trade Convention of Philadelphia, who declare their willingness to acquiesce in such a reduction of the tariff “as shall be prospective in its operation, thereby avoiding any sudden

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<sup>89</sup> Ibid., 1208-1209.

<sup>90</sup> 13 Reg. Deb. 3769 (1832).

<sup>91</sup> 11 Reg. Deb. 1219 (1832).

<sup>92</sup> Ibid., 1219, 1286-1290, 13 Reg. Deb. 3887-3888 (1832).

revulsion that might operate with undue severity on the manufacturing interest, but leading to the desired result with the least possible injury to the interests which have grown up under the system of protective duties.”<sup>93</sup> But, if the Tariff of 1832 was a referendum on the American System, free traders clearly failed. The liberals were aware that the nationalists held the upper hand early on. Senator Felix Grundy of Tennessee wrote to Martin Van Buren that “The Tariff is underway in the other house – I was in the house some time this morning. Bell of our State was making a very good speech on that subject – I induce to think, the Tariff will be reduced somewhat, not sufficiently.”<sup>94</sup>

Table 8.4 shows that the 1832 tariff voting patterns were mixed from a geographical perspective. Many representatives from the Southern regions voted for it and a significant minority of House members from the Northern regions voted against it. Almost one-third of the senators from the three Southern regions voted for it.

**Table 8.4.** Ratification Vote of the Tariff of 1832 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, NH, RI, VT)	17	17	12	0
Atlantic	(DE, NJ, NY, PA)	43	18	8	0
Chesapeake	(MD, VA)	19	8	2	2
South	(GA, NC, SC)	12	16	0	6
Northwest	(IL, IN, OH)	17	0	5	1
Southwest	(AL, KY, LA, MS, TN)	<u>23</u>	<u>6</u>	<u>5</u>	<u>7</u>
Totals		131	65	32	16

Source: 11 Reg. Deb. 1219 (1832), 13 Reg. Deb. 3830-3831 (1832); note that although the *Register* reports the House roll call vote as 132 to 65, only 131 aye votes are recorded.

The Tariff of 1832 voting pattern was both unique and complex. All of the tariff votes from 1816 through 1828 represented efforts to progressively increase tariff rates, making it relatively easy to generally associate “aye” votes with nationalism and “nays” with free trade. The 1832

<sup>93</sup> 11 Reg. Deb. 623 (1832).

<sup>94</sup> Felix Grundy to Martin Van Buren, 9 June 1832, Filson Historical Society special collections, Louisville, Kentucky.

bill reversed that trend, even as it retained very high duties. Thus, a nationalist legislator might easily be motivated to oppose the bill because the overall level of protection had been reduced and free-trade sympathizers might likewise vote for the bill because it represented incremental progress in a long-term effort to reduce tariff rates.<sup>95</sup>

Table 8.5 summarizes the Tariff of 1832 voting patterns based on political loyalty, which was loosely correlated. In the House, substantial numbers of the Jackson and Anti-Jackson factions took minority positions within their coalitions. In the Senate, the Anti-Jackson forces exhibited firm solidarity for the Tariff, but they were joined by a substantial minority of the Jackson faction.

**Table 8.5.** Ratification Vote of the Tariff of 1832 by Party Affiliation

Party	House Ayes	House Nays	Senate Ayes	Senate Nays
Jackson	87	30	11	14
Anti-Jackson	36	24	21	0
Anti-Mason	8	7	0	0
Nullifier	<u>0</u>	<u>4</u>	<u>0</u>	<u>2</u>
Totals	131	65	32	16

Source: 11 Reg. Deb. 1219 (1832), 13 Reg. Deb. 3830-3831 (1832); note that although the *Register* reports the House roll call vote as 132 to 65, only 131 aye votes are recorded.

During the 1832 debates, Senator Thomas Ewing of Ohio addressed changing economic circumstances which were causing corresponding changes in congressional voting patterns on a regional basis. He specifically addressed New England, observing that the region “opposed the tariff of 1824, and, sir, she did present an almost undivided front against it. Her capital was vested in other employment than that of manufactures; her enterprise directed to other pursuits; and a disposition to sudden change forms no part of the character of her people.” Ewing explained that dynamic changes had taken place, leading to a changed political outlook. He

<sup>95</sup> Thomas Hart Benton (MO) is an example of this. During his long senatorial career, he transitioned from nationalism to free trade. He voted for the 1828 tariff, but by 1832 his vote for the tariff was motivated by the fact that the bill reduced overall tariffs, Perry McCandless, *A History of Missouri, Volume II: 1820-1860* (Columbia: University of Missouri Press, 1971), 93.

recounted that “the direction of her capital was then gradually changed, so as to adapt itself to the legislation of the country; and the tariff of 1824, which she had dreaded as an evil, proved to be a blessing. Large sums of money were invested in manufacturing establishments.”<sup>96</sup>

The Senate finally considered Clay’s distribution proposal on July 3, 1832, just a few days before the tariff bill passed. The Senate passed a bill that pledged a portion of the revenues from the sale of public lands to the states for the purpose of internal improvements by a vote of 26 to 18.<sup>97</sup> The House still needed to consider the bill, but the Lower House deferred consideration.

The passage of the Tariff of 1832 brought South Carolina’s nullification threat to the political forefront. In the wake of its passage, George Dallas warned his Southern colleagues, that “The excitements of the day may be gratified: they may delude themselves into the belief that they are laboring to vindicate the constitution, or to uphold the principles of human liberty; but if they recklessly involve the American people in the horrors, uncertainties, and fatal consequences of civil war, and of violent disruption, they must be content to receive, as a merited reward, an immortality of detestation ... the desolation of perpetual conflicts, and in the desolation of sectional bondage – will doom them to loud, deep, and everlasting execration.”<sup>98</sup> A national crisis was at hand.

### **Compromise: The Tariff of 1833**

South Carolina’s George McDuffie hinted during the 1828 debates that the tariff issue threatened to rupture the political fabric of the United States. He stated that “I do sincerely believe that neither this government, nor any free government, can exist for a quarter century, under such a system of legislation. Its inevitable tendency is to corrupt, not only the public

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<sup>96</sup> 11 Reg. Deb. 416-417 (1832); see comments by Peleg Sprague (ME) explaining his changed position on the tariff issue, 605-606.

<sup>97</sup> *Ibid.*, 1174.

<sup>98</sup> *Ibid.*, 486.

functionaries, but all those portions of the Union and classes of society who have an interest, real or imaginary, in the bounties it provides.”<sup>99</sup>

Though the Tariff of 1832 retreated from the high rates established by the Tariff of Abominations, these concessions proved insufficient to satisfy South Carolina’s Nullifiers. The state’s 1832 elections left Nullifiers in control of approximately 75% of the state senate and 80% of the state house. Governor James Hamilton immediately called the state legislature into special session on October 22, and members quickly authorized a special convention to assemble on November 19. On November 24, that convention approved reports authored by Robert Hayne and James McDuffie calling for nullification of the Tariffs of 1828 and 1832. The Convention set February 1, 1833 as the date when the federal tariff acts would be nullified.<sup>100</sup>

South Carolina’s actions triggered a federal government reaction along two distinctly different lines. President Andrew Jackson issued a Nullification Proclamation on December 11, 1832, asserting his right as president to enforce the laws of the United States.<sup>101</sup> He also supported a series of measures presented to Congress on January 16, 1833, collectively known as the “Force Bill.” Among its provisions, the Force Bill requested approval to enforce the tariff in South Carolina by military means, if necessary.<sup>102</sup> In the meantime, simultaneous efforts emerged in the legislative branch to seek some sort of compromise. By December 1832, the Senate and House were both exploring possible remedies.

The Tariff of 1833’s purpose was to remedy a political crisis rather than establish trade policy. The first efforts to defuse the Nullification Crisis took place in the House. On January 8,

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<sup>99</sup> 6 Reg. Deb. 2404 (1828).

<sup>100</sup> Freehling, *Prelude to Civil War*, 255, 260, 262-263.

<sup>101</sup> Robert V. Remini, *Andrew Jackson and the Course of American Democracy, 1833-1845* (New York: Harper & Row, Publishers, Inc., 1984), 20.

<sup>102</sup> Cole, *Presidency of Andrew Jackson*, 163-167; Interestingly, Jackson already possessed the executive power to use force by way of previous legislation passed in 1795 and 1807. He had the Force Bill introduced in order to create a popular legitimacy supporting any enforcement actions, see Jon Meacham, *American Lion: Andrew Jackson in the White House* (New York: Random House, 2008), 241.



1833, Representative Gulian Verplanck, chairman of the House Ways and Means Committee, offered a new tariff bill designed to reduce duties in order to achieve a compromise.<sup>103</sup> Verplanck's bill proposed rolling back the tariff to 1816 levels. Unfortunately, the proposal contained two fatal flaws, which alienated a pair of critical constituencies. First, manufacturers were upset over the short time frame of two years to accomplish significant tariff reductions. Liberals protested the fact that the proposal retained discriminatory protective principles rather than an *ad valorem* structure.<sup>104</sup> As early as January 23, Treasury Secretary Louis McLane advised the President that the Verplanck bill had little chance of passage.<sup>105</sup>

As the House debates degenerated into a political quagmire, many congressmen scrambled to save the protective principle or defend their constituent's specific economic interests. Even Verplanck realized his bill was in trouble from "a long, ardent, and desultory debate ... by those who were adverse to its whole policy ... almost every item of the bill had been touched upon in some way or other, and transiently attacked."<sup>106</sup> Pennsylvania's Thomas McKennan exemplified the trend when he warned that "If this bill is adopted, I venture to affirm that, as sure as the sun shines in the firmament, this important branch [wool growing] of American industry must go by the board, and the capital vested in it sacrificed and destroyed."<sup>107</sup> John Davis of Massachusetts added that the Verplanck proposal "will check the operations of capital; it will, I fear, stop investments, if it does not crush that enterprising, valuable class of young men who have entered upon business, relying upon their industry and capacity to carry them forward. They are in debt,

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<sup>103</sup> 14 Reg. Deb. 958 (1833).

<sup>104</sup> Ellis, *Union at Risk*, 99.

<sup>105</sup> Cole, *Presidency of Andrew Jackson*, 163-168.

<sup>106</sup> 14 Reg. Deb. 1121 (1833); see comments by James Polk (TN), 1162, and an exchange between Samuel Vinton (OH) and George McDuffie (SC) concerning the devolution of the proceedings, 1290-1291.

<sup>107</sup> *Ibid.*, 1101.

and I fear timid creditors may fall upon them.”<sup>108</sup> The Verplanck bill never even came up for a vote.

The volatile situation was also considered by the Senate. John Tyler concluded that “a speedy action on the subject of the tariff was indispensably necessary ... a great crisis had arrived, and definitive action – powerful, well sustained, and efficient action – was necessary to save the country.”<sup>109</sup> The challenging task required utmost political skill, and it was Henry Clay that proved most instrumental in finding resolution. Clay was an unlikely savior, having lost the Bank War and the presidential election the previous year. His melancholy frame of mind is evidenced by two January 1833 letters. In one, he stated “I am, and those with whom I converse, in a dense fog ... one day we are told the Tariff now before the House will pass, and that orders have been given from Albany and the White House to that effect. The next we are assured there is no prospect of its passage and that both the President and Vice-President elect are opposed to it. Scarcely any two members of the House that you will meet, agree as to its fate.” In another, Clay unhappily remarked that “As to politics, we have no past, no future. After 44 years of existence under the present Constitution what single principle is fixed? The Bank? No. Internal improvements? No. The Tariff? No. Who is to interpret the Constitution? No. We are as much afloat at seas as the day when the Constitution came into operation.”<sup>110</sup>

Nonetheless, Clay was drawn to the difficult challenge. Less than one week later, he hinted that he was already at work to structure a solution. He confided to a friend that “I have been thinking of some settlement of that question, but I have not entirely matured any plan; and if I had, I am not satisfied that it would be expedient to offer it. Any plan that I might offer would

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<sup>108</sup> 15 Reg. Deb. 1774; see comments by John Banks (PA), 1537, 1540.

<sup>109</sup> 14 Reg. Deb. 11 (1833).

<sup>110</sup> Henry Clay to Charles J. Faulkner, 11 January 1833; Henry Clay to F. T. Brooks, 17 January 17 1833, Filson Historical Society special collections, Louisville, Kentucky.

be instantly opposed because I offered it. Sometimes I have thought that, considering how I have been and am hated by both parties (the Tariff and the Anti-Tariff) I would leave them to fight it out as well as they can. The lingering hopes of my Country prevail over these feelings of a just resentment, and my judgment tells me that disregarding them I ought to the last to endeavor to do what I can to ... re-establish confidence and concord.”<sup>111</sup>

Clay quietly worked outside of the Senate chambers, and on February 12, 1833 he introduced a new tariff bill. He explained that “I am compelled to express the opinion, formed after the most deliberate reflection, and on a full survey of the whole country, that, whether rightfully or wrongfully, the tariff stands in imminent danger ... if the system can be preserved beyond the next session, it must be by some means now within the reach of human sagacity.”<sup>112</sup> Clay realized that the preservation of the American System tariff structure was in jeopardy due to the crisis and that a tactical retreat might be prudent under the political circumstances.

The compromise bill’s key objective was to shield American manufacturing from the shock of any quick and dramatic reduction to tariff rates. Therefore, it included a lengthened time frame where the bulk of the reductions were set as late into the time period as possible. He was willing to accept *ad valorem* rates and abandon discriminatory protection to attain this primary objective.

Clay’s unlikely ally was John Calhoun. The Vice-President resigned his office on December 28, 1832 to return to the Senate, replacing Robert Hayne who, in turn, became South Carolina’s governor.<sup>113</sup> Calhoun’s gain in the compromise mirrored what Clay was willing to barter away. The *Gales & Seaton’s* correspondent reported that “The general principles of this bill received

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<sup>111</sup> Henry Clay to F. T. Brooks, 17 January 1833, Filson Historical Society special collections, Louisville, Kentucky.

<sup>112</sup> 14 Reg. Deb. 462 (1833).

<sup>113</sup> Cole, *Presidency of Andrew Jackson*, 163-164.

his [Calhoun's] approbation. He believed if the present difficulties were to be adjusted, they must be adjusted on the principles embraced in the bill, of fixing *ad valorem* duties."<sup>114</sup>

Reactions to the bill varied widely. Senator John Forsyth of Georgia proclaimed that "The Senator from Kentucky says, the tariff is in danger; aye, sir, it is in its last gasp ... the whole feeling of the country is opposed to the high protective system. The wily serpent that crept into our Eden has been touched by the spear Ithuriel."<sup>115</sup> However, Daniel Webster recalled implied promises, stating that previous tariffs created a "conviction which was forced on the East, and other portions of the country, that the protective system was to be the settled policy of the Government."<sup>116</sup> Others accepted that the bill offered no long-term policy answers, but were satisfied that it represented a practical and pragmatic solution to the political crisis. Maine's John Holmes supported the bill "because it proposed a truce for eight years, and provided the basis for a treaty to be carried into effect at the expiration of ten years."<sup>117</sup>

As the legislative branch wrestled with compromise proposals, other events increased the odds for a successful resolution. On January 21, South Carolina delayed the Nullification Ordinance effective date from February 1 to the end of the Twenty-Second Congress in March, buying time for the compromise efforts.<sup>118</sup> The Senate passed Jackson's Force Bill on February 20 by a vote of 32 to 1, with John Tyler the lone dissident. However, it was a pyrrhic victory for the President, as fifteen senators chose to abstain.<sup>119</sup> Jackson, in the absence of a mandate, softened his stance.

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<sup>114</sup> 14 Reg. Deb. 477 (1833).

<sup>115</sup> *Ibid.*, 473.

<sup>116</sup> *Ibid.*, 727.

<sup>117</sup> *Ibid.*, 713.

<sup>118</sup> Ellis, *Union at Risk*, 98.

<sup>119</sup> Cole, *Presidency of Andrew Jackson*, 163-172.

Clay and Calhoun quickly ran the Compromise through the Senate. The bill was introduced to the House, where it was technically required to originate, and on February 26, the House passed the bill by a vote of 119 to 85.<sup>120</sup> On March 1, the Senate approved the measure by a margin of 29 to 16.<sup>121</sup>

Table 8.6 summarizes the 1833 vote by region, and shows that the compromise was favorably viewed throughout the South and West. Most of the dissent originated from New England and the Atlantic states, where 75% of the representatives and 50% of the senators voted against. These states, where American industrialization had taken deepest root to date along with significant outlays of financial capital, were lukewarm to the prospect of significant economic concessions, even in the face of political crisis.

**Table 8.6.** Ratification Vote of the Tariff of 1833 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, NH, RI, VT)	10	28	6	6
Atlantic	(DE, NJ, NY, PA)	15	47	4	4
Chesapeake	(MD, VA)	29	1	3	1
South	(GA, NC, SC)	28	0	4	0
Northwest	(IL, IN, OH)	10	7	2	3
Southwest	(AL, KY, LA, MS, TN)	<u>27</u>	<u>2</u>	<u>10</u>	<u>2</u>
Totals		119	85	29	16

Source: 14 Reg. Deb. 808-809 (1833), 15 Reg. Deb. 1810-1811 (1833).

Table 8.7 shows the roll call vote by political persuasion. President Jackson's supporters, along with the small group of Nullifiers, who would soon coalesce into the free-trade leaning Democrat Party, generally favored the compromise and a gradual reduction of the tariff. The anti-Jackson bloc and Anti-Masons, who would eventually form into the nationalist-oriented Whig Party, proved less enthusiastic for the compromise, particularly in the House.

<sup>120</sup> 15 Reg. Deb. 1810-1811 (1833).

<sup>121</sup> 14 Reg. Deb. 808-809 (1833).

**Table 8.7.** Ratification Vote of the Tariff of 1833 by Party Affiliation

Party	House Ayes	House Nays	Senate Ayes	Senate Nays
Jackson	95	27	14	8
Anti-Jackson	20	43	13	8
Anti-Mason	0	15	0	0
Nullifier	<u>4</u>	<u>0</u>	<u>2</u>	<u>0</u>
Totals	119	85	29	16

Source: 14 Reg. Deb. 808-809 (1833), 15 Reg. Deb. 1810-1811 (1833).

Another part of Clay's compromise involved a renewed effort to pass the Distribution Bill as a concession to nationalists. The Senate had passed the bill the previous July, but the House had not yet acted. It finally passed the "land bill" on March 1, 1833 by a sparse vote of 96 to 40, with many members either not voting or absent.<sup>122</sup> President Jackson pocket vetoed the measure and the internal improvements initiative died for the moment.<sup>123</sup>

An analysis of the Distribution bill votes, summarized in Table 8.8, shows that the Northeast generally favored, the Southeast generally opposed, and the West slightly favored the measure.

**Table 8.8.** Ratification Vote of the 1832-1833 Distribution Bill by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, ME, NH, RI, VT)	20	2	11	1
Atlantic	(DE, NJ, NY, PA)	41	4	7	1
Chesapeake	(MD, VA)	8	11	1	3
South	(GA, NC, SC)	3	7	0	6
Northwest	(IL, IN, OH)	13	3	3	2
Southwest	(AL, KY, LA, MO, MS, TN)	<u>10</u>	<u>12</u>	<u>4</u>	<u>5</u>
Totals		95	39	26	18

Source: 14 Reg. Deb. 1174 (1833), 15 Reg. Deb. 1920-1921 (1833); note that although the *Register* reports the House roll call vote as 96 to 40, only 95 aye and 39 nay votes are recorded.

<sup>122</sup> 15 Reg. Deb. 1920-1921 (1833).

<sup>123</sup> Remini, *Andrew Jackson and the Course of American Democracy, 1833-1845*, 41-42; John Lauritz Larson, *Internal Improvements: National Public Works and the Promise of Popular Government in the Early United States* (Chapel Hill: The University of North Carolina Press, 2001), 190. Distribution would not be resurrected until late in Jackson's second term, and the bill that eventually passed was introduced by John Calhoun rather than Henry Clay, Larson, *Internal Improvements*, 191.

Table 8.9 shows the same vote by political affiliation. The nationalist Anti-Jackson and Anti-Mason factions overwhelmingly supported the measure. The Jacksonian faction was less united.

**Table 8.9.** Ratification Vote of the 1832-1833 Distribution Bill by Party Affiliation

Political Party	House Ayes	House Nays	Senate Ayes	Senate Nays
Jackson	34	36	5	16
Anti-Jackson	49	1	21	0
Anti-Mason	12	0	0	0
Nullifier	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>
Totals	95	39	26	18

Source: 14 Reg. Deb. 1174 (1833), 15 Reg. Deb. 1920-1921 (1833); note that although the *Register* reports the House roll call vote as 96 to 40, only 95 aye and 39 nay votes are recorded.

The Compromise Tariff of 1833 slowly reduced tariff rates over nine years. The bill retained duties at 1832 levels, scheduling a gradual reduction to a 20% maximum *ad valorem* rate by June 30, 1842. However, the rate of reduction was uneven. The approximately 50% overall rate in effect in 1833 would be reduced in increments of 3% on each of the first days of 1834, 1836, 1838, and 1840, to settle an effective rate to 38%. This was to be followed by two more incremental reductions of 9% each on January 1 and July 1 of 1842, to arrive at a permanent effective rate of 20%.<sup>124</sup> Thus, the Compromise retained the protectionist attributes of the Tariff of 1832 for an extended period, far longer than the two years proposed by Verplanck.<sup>125</sup>

## Conclusions

Ominously, the prospects for the Compromise Tariff of 1833 were not promising. The Congressional Journal reported John Calhoun as stating that “There had been a good deal said during the discussion, how far this passage of the bill would involve a pledge as to the arrangement of the tariff which he had proposed ... he had little faith in pledges; he had experience enough to know that the most solemn compact, and even the constitution itself, would

<sup>124</sup> Northrup and Turney, eds. *Encyclopedia of Tariffs and Trade*, 3:40-41.

<sup>125</sup> Merrill D. Peterson, *The Great Triumvirate: Webster, Clay, and Calhoun* (New York: Oxford University Press, 1987), 217, 226.

be violated ... whenever the dominant party saw its advantage in such violation.”<sup>126</sup> Clay validated Calhoun’s concerns by declaring that, “In the first place, I would remark that the bill contains no obligatory pledges; it could make none; none are attempted. The power over the subject is in the constitution; put there by those who formed it, and liable to be taken out only by an amendment of the instrument. The next Congress, and every succeeding Congress, will undoubtedly have the power to repeal the law whenever they may think proper.”<sup>127</sup> As a temporary move, however, the bill was successful. It averted a catastrophic political crisis and established a trade policy truce. Nationalists were satisfied by the extended period of tariff reduction and free traders by the acceptance of an *ad valorem* tariff structure featuring low rates.

The Compromise Tariff of 1833 marked the end of a contentious period where the American trade policy debate was deeply impacted by sectional jealousies, powerful economic special interests, and individual political ambitions. This chapter of the trade policy saga began with the Tariff of 1824, when Henry Clay’s American System, including high protective tariffs, became ascendant. The following nine years featured a series of contentious tariff battles in 1827, 1828, 1832, and 1833, roughly coinciding with the interlude between the death of the Federalist Party and the birth of the Whig Party.

Between 1824 and 1833 the three great issues of slavery, states rights, and trade policy briefly aligned with each another in American politics. This came about because early American industrialization between 1820 and 1830 was largely confined to Northern states, and particularly to New England and the Atlantic states. The American North and South sharply contrasted with one another in terms of labor force (free labor versus slave labor) and

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<sup>126</sup> 14 Reg. Deb. 791 (1833).

<sup>127</sup> *Ibid.*, 730.



industrialization (emerging industrialization versus pre-industrialization), creating a temporary scenario where trade policy divided along the exact same geographical lines as the slavery issue.

State rights became the weapon and the tariff the opportunity for Southern reaction to the real issue, threats against the Peculiar Institution. Sectional tensions were initially triggered by the Missouri Crisis of 1820. Southerners became concerned that faster population growth in the North, coupled with shrinking proportions of slaves in some of the northernmost Southern states, might create a situation where Northern political majorities could impose their will on the South, including slavery's extinction. The tariff battles in 1824, 1828, and 1832 created a pretext for the South to battle over the truly salient issue, which was slavery.

George McDuffie acknowledged that slavery was the real issue in 1832 and 1833. He complained that “the moment the majority transcend the limits of the constitution, and act upon the separate and exclusive interests of the minority, the right to govern ceases, as well as the presumption upon which it is founded.” McDuffie added that “with the people of the Southern States, this [tariff issue] is not a pecuniary question of profit and loss, but a question of constitutional liberty. If they were to voluntarily surrender, to an irresponsible majority, the unlimited right of appropriating their property to its own use, they would be the slaves of that majority; for “no man has a right to that which another man has the right to take from him.”<sup>128</sup>

Northern contemporaries also recognized slavery as the underlying issue. Senator Thomas Ewing of Ohio plainly saw this in 1832, when he declared that “the curse of slavery, and not the tariff, is in truth the withering curse which blights the fair hopes of this fair and otherwise happy and favored land.”<sup>129</sup> Pennsylvania's George Dallas added that the very foundation of the Southern economy was at the root of its travails, commenting that “the great Southern staple,

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<sup>128</sup> 13 Reg. Deb. 3160, 3168 (1832).

<sup>129</sup> 11 Reg. Deb. 436 (1832).

cotton, is the product of an exhausting plant – a plant which feeds voraciously upon the fertility and strength of the best soils.”<sup>130</sup>

As Congress wrestled with sectional controversies and the tariff, it became apparent that there were differing opinions as to whether industrialization would be a national, versus regional, process. Nathan Appleton concluded the South was capable of industrializing. He observed that “the capital and industry of the South are equally open to the action of the stimulus of the tariff with those of the North. Why are not the mountains of Virginia and North Carolina covered with flocks of sheep, as well as those of Vermont, for which, all admit, they are equally well adapted.”<sup>131</sup> Many Southerners disagreed. Robert Hayne declared that the South was incapable of embracing manufactures because of its labor system. He remarked that “except as to a few coarse articles, slave labor is utterly incapable of being applied to such an object. Slaves are too improvident, too incapable of that minute, constant, delicate attention, and that persevering industry which is essential to the success of manufacturing establishments.”<sup>132</sup> Henry Clay sided with Appleton, declaring that “it is contended ... that the people of the South cannot, from physical and other causes, engage in the manufacturing arts. I deny the premises, and I deny the conclusion. I deny the fact of inability, and, if it existed, I deny the conclusion that we must, therefore, break down our manufactures, and nourish those of foreign countries. The South possesses, in an extraordinary degree, two of the most important elements of the manufacturing industry – water power and labor.”<sup>133</sup>

Although slavery and minority rights were root causes of the tariff controversies in the early 1830s, it is important to note that there was also a continuity of themes in the debates that traced

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<sup>130</sup> *Ibid.*, 466; see comments by Nathan Appleton (MA), 13 Reg. Deb 3205 (1832).

<sup>131</sup> 13 Reg. Deb. 3206 (1832).

<sup>132</sup> 11 Reg. Deb. 87 (1832).

<sup>133</sup> *Ibid.*, 276; see comments by Willie Mangum (NC) stating that the South was incapable of industrialization, 325.

back to the Founding. Willie Mangum glumly noted that the crisis of 1832 was about economic interests and profit. He asked, “Where is the sentiment of the slogan, once so dreadful to the enemy – “give me liberty or give me death!” It is heard no more in the land. It is money – money – give me money, or. Sir, if I could coin my heart into gold, and if it were lawful in the sight of Heaven, I would pray God to give me firmness to do it, to save this Union from the fearful – the dreadful shock which I verily believe impends.”<sup>134</sup> In the end, Southerners sought a rejection of the American System, particularly protectionist policies, on the grounds that discriminatory tariffs ran counter to true republican principles. The structure of the Compromise Tariff of 1833 demonstrates this point. Southerners overwhelmingly approved of a bill that retained high tariff levels for the next nine years in return for a promise to migrate national trade policy to an *ad valorem* structure.

The passage of the Compromise Tariff of 1833 established a truce that would last until 1841. In the near term, the Nullification Crisis was successfully averted. Over the next eight years the economic landscape of the United States would undergo significant change. As Clay and Calhoun had hinted, there was to be another confrontation over trade policy and protectionism in the future. However, when the issue resurrected itself in 1841, circumstances would be much different. Slavery no longer would overshadow the tariff issue. The spread of American industrialization would.

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<sup>134</sup> *Ibid.*, 328; see comments by Richard Wilde (GA), 13 Reg. Deb. 3501 (1832).

## CHAPTER 9 – IDEAS AND INTERESTS TRANSFORMED: THE TARIFF OF 1842

*“It [the Constitution] authorizes you to regulate ... by the imposition of discriminating duties, or prohibitory duties on imports of foreign manufactures ... for the purpose ... of encouraging domestic manufactures, and any and every other form of domestic industry.”<sup>1</sup>*

- Senator Rufus Choate of Massachusetts (March 14, 1842 remarks to the Senate)

*“After the peace of Ghent, Congress, warned by the experience of 1786, decreed that for the first year the previous duties should be doubled, and during this period the country continued to prosper. Coerced, however, by powerful private interests which were opposed to those of the manufacturers, and persuaded by the arguments of theorists, it resolved in the year 1816 to make a considerable reduction in the import duties, whereupon the same effects of external competition reappeared ... viz. ruin of manufactories, unsaleability of produce, fall in the value of property and general calamity among landowners.”<sup>2</sup>*

- Friedrich List, “National System of Political Economy” (1841)

*“Instead of asking for protection to increase the prices of their products, they should produce cheaper, and this was the only way to become prosperous. They could not, by legislation, change the laws of trade, which were of Divine origin. ... the life of business was competition.”<sup>3</sup>*

- Representative Dixon Lewis of Alabama (July 11, 1842 remarks to the House)

*“The Journal of Commerce thinks we are getting “a little free-trade crazy.” If this is so, we shall at least have the company, in our lunacy, of some of the soundest thinkers and purest and most prudent men in our country. The malady, moreover, is spreading and we should not be surprised if the Journal of Commerce itself should be touched before long. ... Had Adam Smith lived in our day and our country, he, too, we apprehend, would have become “a little free-trade crazy,” or at least his sanity would have been called in question by certain journalists.”<sup>4</sup>*

- William Leggett, New York “Evening Post” (December 13, 1834)

The brokered compromise of 1833 lasted eight years. Hopes for a new-found harmony over trade policy, however, would be dashed. The major culprit was the Panic of 1837, the most severe American economic downturn since 1819. The Panic’s consequences included difficult times for American businesses, particularly manufactures, and a threat to anticipated post-1833 treasury surpluses. Nationalists seized on both developments to renew arguments for protection, believing that it would cure the nation’s economic ills.

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<sup>1</sup> Rufus Choate, *The Political Writings of Rufus Choate* ed. Thomas E. Woods, Jr. (Washington, D. C.: Regnery Publishing, Inc., 2002), 60.

<sup>2</sup> Friedrich List, *The National System of Political Economy* (New York: Cosimo Classics, 2005), 1:121.

<sup>3</sup> Cong. Globe, 27<sup>th</sup> Cong., 2d Sess., 741-742 (1842).

<sup>4</sup> William Leggett, *Democratick Editorials: Essays in Jacksonian Political Economy* by William Leggett, ed. Lawrence H. White (Indianapolis, Indiana: Liberty Press, 1984), 284-285, 288.

In 1841 and 1842, just as the most significant portion of the Compromise tariff reductions were scheduled to occur, political friction over trade policy sparked again. However, the newest round sharply differed from prior debates, representing a fundamental change in the core nature of American trade policy discourse. Two major factors contributed to this development. The first involved the expansion of industrialization from the Northeast to other regions of the United States, and importantly including the South. A second major factor was the emergence of the Second Party System, where Whig and Democrat parties advanced mutually exclusive positions on trade policy.<sup>5</sup>

Consequently, the 1841 and 1842 debates were not played out on the regional lines that had characterized the recent debates of 1824, 1828, and 1832. Rather, the demarcation point was based on party, and both the nationalist oriented Whig and free trade oriented Democrat blocs included constituent members from all parts of the United States. Industrialization, which “took off” in New England and the Mid-Atlantic states only two decades before, was now integrated in varying degrees into the broad national economic landscape.

### **The American Economy, 1833 to 1842**

The American economy faced serious challenges by 1841. American gross domestic product per capita, adversely impacted by the Panic, was lower in 1841 than it had been in 1833. Despite lagging economic growth, however, American manufactures experienced continued “take off” during the period.

The Panic of 1837 defined the trade policy debates of 1841 and 1842, as nationalists argued that increased protection would counteract its impact, while free traders insisted that high tariff

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<sup>5</sup> Silbey, *Shrine of Party*, 29-30; William R. Brock, *Parties and Political Conscience: American Dilemmas, 1840-1850* (New York: KTO Press, 1979), 10-12, 20; Michael F. Holt, *The Rise and Fall of the American Whig Party: Jacksonian Politics and the Onset of the Civil War* (New York: Oxford University Press, 1999), 115-117; Holt, *Political Parties*, 37-38.

rates were the cause of the Panic. Trade policy, though, wasn't the sole factor contributing to the Panic. In similar fashion to the Panic of 1819, excessive land speculation created an economic "bubble" that burst in 1837. Lenders in Great Britain advanced almost \$100 million in credit to American borrowers.<sup>6</sup> Public land sales were ten times greater in 1836 than they had been in 1830. Real estate values in New York City doubled between 1833 and 1836. The land frenzy was facilitated by banks and lenders providing "easy" credit to the marketplace.<sup>7</sup>

The Panic devastated the American economy. By June 1837, only three months into the Van Buren presidency, only six American banks continued to redeem bills for specie. Over 500,000 American workers lost their jobs and ninety-three New York cotton trading firms, with a combined capitalization value of \$60 million, failed.<sup>8</sup> The liquidated capital of these firms totaled two and a half times the annual Federal government revenues.<sup>9</sup> The calamitous state of affairs was accompanied by falling wholesale prices, which dropped 29% between 1837 and 1842.<sup>10</sup>

Government was adversely impacted by the Panic. In 1836, Congress finally passed Henry Clay's distribution act, where federal land sales revenues were allocated to the states in quarterly payments starting in January 1837. The distribution was suspended after only three installments, due to a rapidly shrinking treasury balance. The Panic's impact was not confined to the national government; the bad economy forced the states of Pennsylvania, Maryland, Michigan, Illinois, Indiana and Arkansas to default on outstanding bond issues on January 1, 1842.<sup>11</sup>

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<sup>6</sup> Major L. Wilson, *The Presidency of Martin Van Buren* (Lawrence: University Press of Kansas, 1984), 44.

<sup>7</sup> Marvin Meyers, *The Jacksonian Persuasion: Politics and Belief* (Stanford, California: Stanford University Press, 1957), 83, 85; Wilson, *Presidency of Martin Van Buren*, 43.

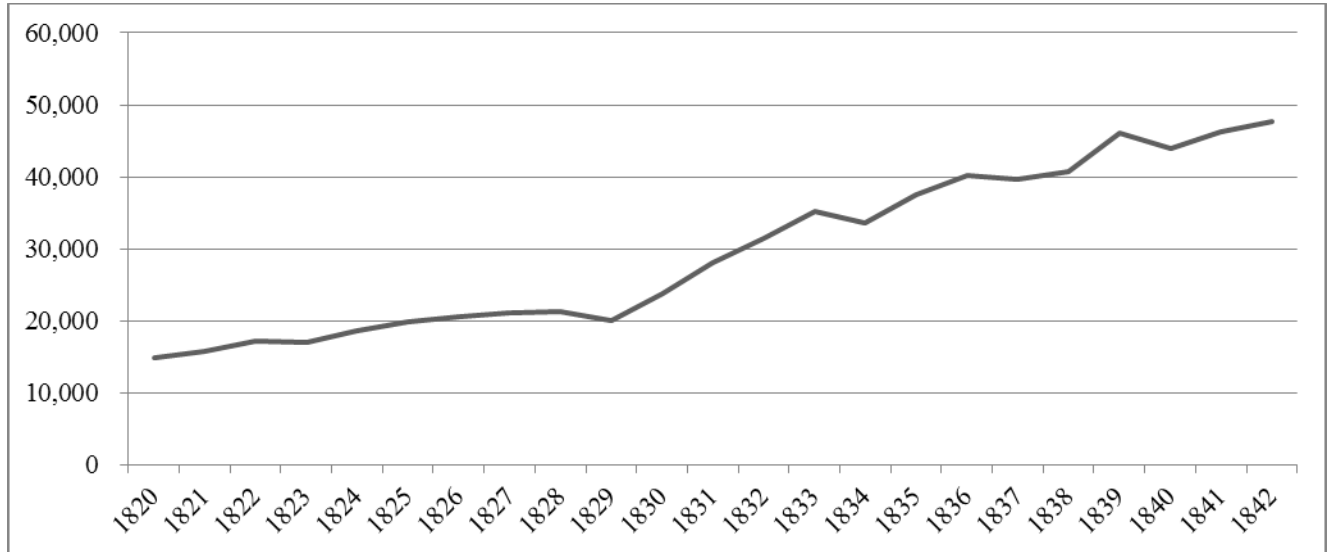
<sup>8</sup> Sellers, *The Market Revolution*, 354-355.

<sup>9</sup> U. S. Department of Commerce, *Historical Statistics*, 1106.

<sup>10</sup> *Ibid.*, 201.

<sup>11</sup> Stanwood, *American Tariff Controversies* (New York: Russell & Russell, 1903), 2:18; Hammond, *Banks and Politics*, 454-455, 488; Roberts, *America's First Great Depression*, 103.

Despite the problems caused by the Panic, American industrialization proceeded at a very rapid pace. Figure 9.1 illustrates American manufacturing production levels from 1820 through 1842. The industrialization process, which gained significant momentum after the passage of the Tariff of 1828, continued its upward trajectory throughout the 1830s and early 1840s. The Panic's impact on this trend was negligible.



**Figure 9.1.** American Industrial Production, 1820-1842

Source: Carter, et al., eds., *Historical Statistics*, 3:23-24. The above information was compiled by Joseph H. Davis and represents the best estimates to date from somewhat imperfect data of what the United States manufacturing output was during the nineteenth century. Note that the Davis Index uses base year 1849-1850 as 100,000.

The continuing industrialization process provided incentives for growing numbers of economic special interest groups to exert political influence. During the 1830s and 1840s, these groups used the newly formed Whig Party as a vehicle for promoting protectionist ideas and agendas. Historian Arthur Schlesinger noted this trend, stating that at the time of Whig Party candidate William Henry Harrison's presidential victory in 1840 "Eastern industrialists,

mobilizing for a restoration of high duties ... succeeded the bankers as the chief patrons of the Whig party.”<sup>12</sup>

Overall American productivity failed to achieve the same results as the manufacturing sector between 1833 and 1842. Average GDP per capita stalled throughout the 1830s and greatly fluctuated even on the three-year rolling average depicted in Figure 9.2. American manufacturing was not sufficiently large yet to be capable of distributing its benefits across the overall national economy.



**Figure 9.2.** American GDP per Capita, 1820 to 1842 (in real dollars = 1996) (3 year rolling average)

Source: Carter, et al., eds., *Historical Statistics*, 5:498, 510; “Measuring Worth,” <http://www.measuringworth.org/usgdp/>.

Table 9.1 summarizes real GDP and nominal imports per capita during the years 1833 through 1842. The information illustrates that the general economy was mired in a state of malaise. During the six years from 1837 through 1842, real GDP narrowly exceeded 1833 levels only once. Americans imports of foreign goods sharply declined.

<sup>12</sup> Arthur M. Schlesinger, Jr., *The Age of Jackson* (Old Saybrook, Connecticut: Konecky & Konecky, 1971), 422. Schlesinger concluded that the National Bank was a dead issue by 1840, and that New England manufacturers, led by Abbott Lawrence viewed the Whig victory in 1840 as an opportunity to restore nationalist trade policy to the attributes present in the 1820s.



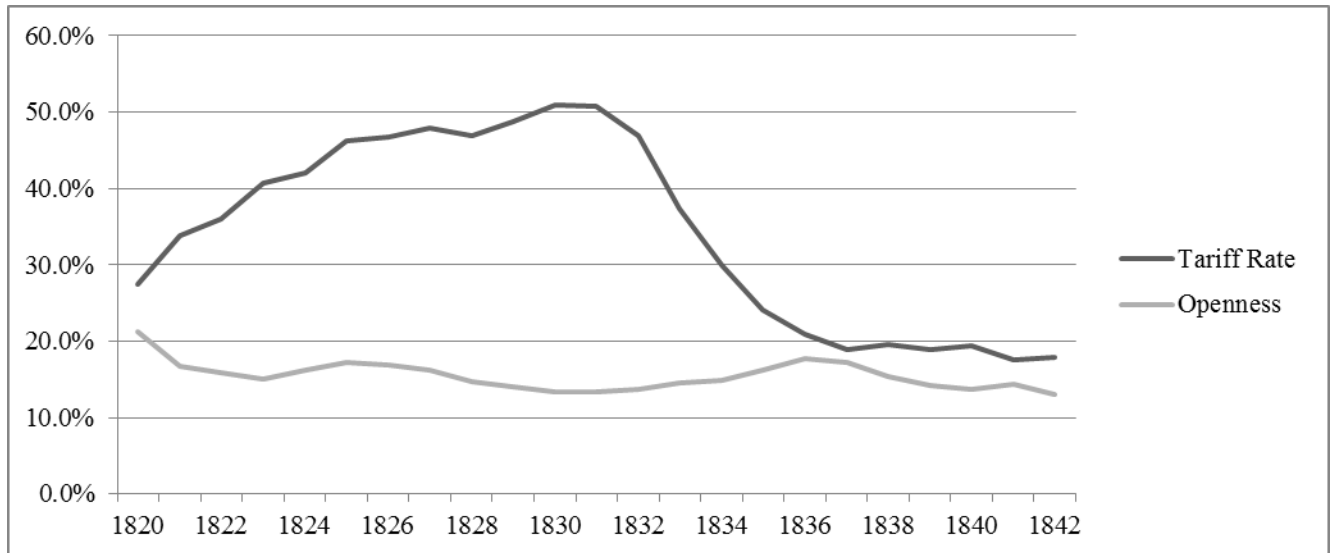
**Table 9.1.** Real GDP per Capita and Imports per Capita, 1833-1842

Year	Real GDP per Capita	Imports per Capita
1833	\$1,711	\$ 7.17
1834	\$1,629	\$ 7.52
1835	\$1,691	\$ 9.18
1836	\$1,716	\$11.54
1837	\$1,662	\$ 8.23
1838	\$1,647	\$ 5.92
1839	\$1,727	\$ 9.37
1840	\$1,642	\$ 5.72
1841	\$1,608	\$ 6.98
1842	\$1,594	\$ 5.30

Source: Carter, et al., eds., *Historical Statistics*, 1:30, 3:23.

A stagnant GDP per capita, combined with sharply decreasing imports, suggest that as American citizens coped with the Panic of 1837, they increasingly purchased manufactured goods from American producers. However, whether the American consumer benefitted remained an unanswered question. It was unclear whether protection had made American manufacturers internationally competitive, or simply made the cost of foreign goods so high that manufacturers were able to charge artificially high prices to consumers and enjoy high profits.

Figure 9.3 shows that tariff revenues in comparison to total imports fell dramatically during the early and mid-1830s even though the duty tables were not immediately modified. The best explanation for this phenomenon is that “highly protected” goods were becoming a smaller portion of overall imports. Americans were now purchasing these heavily protected goods, such as iron and cotton and wool manufactures, from domestic producers.



**Figure 9.3.** American Foreign Trade, 1820 to 1842 (3 year rolling average)  
 Source: Carter, et al., eds., *Historical Statistics*, 1:30, 3:24.

Figure 9.3 also demonstrates that the American System's increased tariffs were only marginally successful in lowering international trade. Trade "openness" fell slightly throughout the 1820s, rose again in the early 1830s, and then fell slightly again in the latter 1830s. By 1842, trade openness had gradually migrated to its lowest levels since the War of 1812. The implication, in light of growing American manufacturing output, and a lack of foreign goods dumping after the Panic of 1837, was that American manufacturers were gaining market share.<sup>13</sup>

### **Politics Matured: Whigs and Democrats**

Trade policy contributed to the development of the Second American Party System in the 1830s. Two well-organized political parties maintained diametrically opposing views on the tariff. The Whig Party supported Henry Clay's American System and protective tariffs, while Democrats embraced free trade. These mutually exclusive views made it likely that the two parties would come into conflict with one another in 1842, when 60% of the total reductions called for by the Compromise Tariff, as well as an end to the protective principle, were scheduled to occur.

<sup>13</sup> For further detail on trade openness during the period of this study, refer to Appendix PP.

After the presidential election, Bank War, tariff battles, and Nullification Crisis in 1832 and 1833, a growing anti-Jacksonian movement finally gravitated towards becoming a formal opposition party. The process wasn't easy, a feature that characterized the Whig Party's entire existence. A major problem facing the Whigs was reaching consensus on issues, because the common disapproval of President Jackson didn't necessarily translate into agreement on important policy issues. For example, Henry Clay and Daniel Webster, two anti-Jackson nationalists, seriously disagreed about the consequences of the Tariff of 1833 after its passage. Webster was displeased with the compromise, believing it betrayed core nationalist principles. He even explored forging an alliance with the Jackson faction, which ultimately failed because of differences over the Second Bank of the United States.<sup>14</sup>

Henry Clay finally unified the disparate anti-Jackson elements. The Kentuckian returned to the Senate in November 1831, where he would remain until 1842.<sup>15</sup> In December 1834, a coalition of anti-Jackson senators acted in concert to seize committee chair positions in the upcoming Twenty-Fourth Congress, marking the nominal beginning of the Whig Party.<sup>16</sup> Clay's accomplishment culminated an ongoing process tracing back to the Quincy Adams/Jackson election of 1824, when permanent fissures began to destroy the unity of the Democratic Republican Party. Historian Richard P. McCormick aptly describes the Second Party System as the result of "development within each of the states over the years between 1824 and 1840."<sup>17</sup>

The Whig Party embraced nationalist principles from its founding. Its leaders concluded that an economically strong and prosperous country provided economic opportunities and benefits to its citizens. Alexander Stephens of Georgia declared that "Whig principles in Maine and

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<sup>14</sup> Holt, *Rise and Fall of the American Whig Party*, 22-25.

<sup>15</sup> *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=C000482>.

<sup>16</sup> Holt, *Rise and Fall of the American Whig Party*, 26-28.

<sup>17</sup> Richard P McCormick, *The Second American Party System: Party Formation in the Jacksonian Era* (Chapel Hill: The University of North Carolina Press, 1966), 329.

Louisiana, in Ohio, Georgia, and Virginia, are the same.”<sup>18</sup> Historian Daniel Walker Howe commented that Whig Massachusetts Senator Rufus Choate “looked back nostalgically upon the “heroic” ages ... when Alexander Hamilton and John Adams laid the foundations of the union.”<sup>19</sup> Fellow historian Michael Holt noted that Whigs believed that “the public welfare or commonweal included far more than equal rights. Government ... had an obligation to promote economic recovery.”<sup>20</sup> Harry Watson stated that Whigs expected “prosperity ... from a commercialized economy ... policies such as the tariff [were a] ... means to these ends.”<sup>21</sup> Consistent with these goals, Whigs believed protective tariff legislation would “invite capital into the establishment of manufactures” and protect the nation against the predatory “dumping” practices of foreign countries, particularly Great Britain.<sup>22</sup>

Whig policies were supported by intellectual arguments. Friedrich List, who had promoted economic nationalism since the 1820s, published *National System of Political Economy* in 1841, coinciding with the first Whig presidential administration. This work synthesized his nationalist views regarding political economy. List predicted that the United States would “perhaps in the time of our grandchildren exalt itself to the rank of the first naval and commercial power in the world.” He explained that “The history of the trade and industry of North America is more instructive for our subject than any other can be, because here the course of development proceeds rapidly, the periods of free trade and protection follow closely on each other, their

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<sup>18</sup> Daniel Walker Howe, *The Political Culture of the American Whigs* (Chicago, Illinois: The University of Chicago Press, 1979), 242.

<sup>19</sup> *Ibid.*, 231-232.

<sup>20</sup> Holt, *Rise and Fall of the American Whig Party*, 69.

<sup>21</sup> Harry L. Watson, *Liberty and Power: The Politics of Jacksonian America* (New York: Hill and Wang, 2006), 211.

<sup>22</sup> John Ashworth, *Agrarians & Aristocrats: Party Political Ideology in the United States, 1837-1846* (New York: Cambridge University Press, 1987), 21, 41, 77-78; Richard C. Edwards, “Economic Sophistication in Nineteenth Century Congressional Debates,” *The Journal of Economic History* Volume 30, No. 4 (Dec, 1970): 805-806, 819.

consequences stand out clearly and sharply defined, and the whole machinery of national industry and State administration moves exposed before the eyes of the spectator.”<sup>23</sup>

List reviewed the recent American experience with trade policy. He related that “After the peace of Ghent, Congress ... decreed that for the first year the previous duties should be doubled, and during this period the country continued to prosper. Coerced, however, by powerful private interests which were opposed to those of the manufacturers, and persuaded by the arguments of theorists, it resolved in the year 1816 to make a considerable reduction in the import duties, whereupon the same effects of external competition reappeared ... viz. ruin of manufactories, unsaleability of produce, fall in the value of property and general calamity among landowners.” The Americans, List concluded, learned from this episode, and quickly established a more beneficial trade policy. He commented that “It was only in 1824, after the effects of the English corn laws had been made manifest ... thus compelling the agricultural interest ... to make common cause with the manufacturing interest, that a somewhat higher tariff was passed in Congress.” List added that the 1824 initiative “soon proved insufficient, and had to be supplemented by the tariff of 1828.”<sup>24</sup>

In the end, the Americans were to be lauded, because their “sound common sense, and the instinct of what was necessary for the nation, were more potent than a belief in theoretical propositions. List concluded that “Americans came to realize the truth ... that civilization and power ... can only be secured and retained by the creation of a manufacturing power of its own.” He concluded that classical economists had reached faulty conclusions, as “Adam Smith and J. B. Say had laid it down that the United States were, ‘like Poland,’ destined for agriculture ... the

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<sup>23</sup> List, *National System of Political Economy*, 1:117.

<sup>24</sup> *Ibid.*, 1:117, 121.

arguments of the theorists were thoroughly investigated, and strong doubts entertained of a doctrine which its own disciples were not willing to put in practice.”<sup>25</sup>

List considered manufacturing an essential prerequisite for achieving national economic progress. He noted that “in a country devoted to mere raw agriculture, dullness of mind, awkwardness of body, obstinate adherence to old notions, customs, methods, and processes, want of culture, of prosperity, and of liberty prevail.”<sup>26</sup> In contrast, a modern political state should invoke good economic policy that included “favor [to] the importation of productive power ... to protect the development of the productive power ... [and] to import only raw materials and agricultural products, and to export nothing but manufactured goods.”<sup>27</sup> The only practical way to accomplish this end was through use of protecting tariffs to shield these means of industrial production. Thus, List’s theories varied from the elements of the American System that tolerated protection for raw materials. List clearly articulated that “measures of production are justifiable only for the purpose of furthering and protecting the internal manufacturing power ... protection can be afforded, either by the prohibition of certain manufactured articles, or by rates of duty which amount wholly, or at least partly, to prohibition.”<sup>28</sup> He added that advancing manufacturing offered symbiotic benefits, and noted that “the Americans had long ago learnt from experience that agriculture cannot rise to a high state of prosperity unless the exchange of agricultural produce for manufactures is guaranteed for all future time.”<sup>29</sup>

Democrats, in contrast, maintained that low tariffs, without protectionist features, were integral to a virtuous American republic. They feared that high tariffs, particularly protective ones, created dangerous concentrations of economic power, which in turn provided opportunities

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<sup>25</sup> Ibid., 1:123-124,126.

<sup>26</sup> Ibid., 2:96.

<sup>27</sup> Ibid., 3:44-45.

<sup>28</sup> Ibid., 2:227.

<sup>29</sup> Ibid., 1:125-126.

for tyranny similar to what had sparked the Revolution. A minimal federal role better promoted widespread economic opportunity for citizens and protected the republican principles of freedom that were essential to a virtuous society.

On the tariff question, Democrats were particularly wary of protectionism because it artificially created opportunities for privileged economic interest groups to unfairly profit off of others. Historian Lawrence Kohl states that “the intricacies of the tariff were also seen as a conscious effort to defraud” by the Democrats. The Whig economic stimulus programs “might temporarily produce the appearance of prosperity ... but they could not permanently increase American productivity.” Instead, Democrats concluded that “real [national] wealth was increased only gradually by traditional patterns of industry and frugality.”<sup>30</sup>

Democrats also produced intellectual support for their party’s political position. Henry Carey, son of Mathew Carey, published *Principles of Political Economy* in 1837. Carey considered a wide array of economic topics, including, but not limited to labor, production, capital, and value. The treatise accepted Smith’s and Ricardo’s notions that geographical location and individual talents lent themselves to economic specialization, but moved beyond his predecessors by integrating the role of capital more fully into his economic model. This represented a distinctly American contribution to classical liberal thought. Carey concluded that “capital aids labour and increases the power of production ... it also facilitates the division of employments, and the combination of labour.”<sup>31</sup>

Carey’s economic model represents a synthesis of certain free trade and nationalist ideas. His primary conclusion was that free trade was desirable, but he also concluded that industrialization

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<sup>30</sup> Lawrence Frederick Kohl, *The Politics of Individualism: Parties and the American Character in the Jacksonian Era* (New York: Oxford University Press, 1989), 25-26, 194-195.

<sup>31</sup> Henry Charles Carey, *Principles of Political Economy* (Philadelphia, Pennsylvania: Carey, Leas & Blanchard, 1837), 337.

importantly contributed to economic growth. It largely paralleled Dallas Report principles: free trade was the desirable end, but protection could provide appropriate means in the short-term to get there. Carey rationalized short-term protection where “the interests of the capitalist and the labourer are thus in perfect harmony with each other, as each derives advantage from every measure that tends to facilitate the growth of capital, and to render labour productive.” In a mature economy, though, free trade became preferable, as “both capitalist and labourer are, therefore, enabled to obtain a constantly increasing measure of the conveniences, comforts, and luxuries of life, in exchange for their products.”<sup>32</sup>

Carey was joined by a more radical free trader, William Leggett, who rejected any sort of protective principle, whatsoever. He was a news writer, and a leading spokesman for the Locofoco faction of New York’s Democratic Party, which supported pro-labor, hard money, anti-banking, and free trade positions.<sup>33</sup> Tragically, Leggett died prematurely at age thirty-eight in 1839.<sup>34</sup> He strenuously argued for lower tariffs, which “would certainly not place trade in a state of absolute freedom; but it would be such an enlargement of its bounds, such a relaxation of its fetters, as might well deserve to be spoken of as comparative freedom,” but insisted that ideal trade policy involved “levying no duties at all. It consists in leaving the parties to trade – the buyer and seller – perfectly unrestrained by the conditions of a third party.”<sup>35</sup>

Leggett, echoing a theme oft heard in Congress from tariff opponents, that free trade was an essential attribute for a virtuous republic. He paralleled Paine’s political views on liberty with his own on economics when he proclaimed that “It is a happy thing for the destinies of this young and vigorous republic, that ... they who are fighting the great battle in defence of the

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<sup>32</sup> Ibid., 339.

<sup>33</sup> Sean Wilentz, *The Rise of American Democracy, Jefferson to Lincoln* (New York: W. W. Norton & Company, 2005), 421-424.

<sup>34</sup> Leggett, *Democratick Editorials*, xi-xiii.

<sup>35</sup> Ibid., 367-368.



political rights of man, are at the same time endeavouring to establish that noble science [political economy], the ignorance of whose truths and the violation of whose doctrines have been a prolific source of the burdens and oppressions under which the people of Europe groan.”<sup>36</sup> Leggett feared the dangers of concentrated political power, economic power, or a combination of both. He contrasted the potential for liberal political economy in the United States with the illiberal nationalist policies of Europe. Leggett asserted that “to the interference of Government with the private pursuits of individuals; to the granting of exclusive privileges to one body of citizens, and placing burdensome restrictions on others; to the giving a stimulating bounty here, and imposing a prohibitory duty there; to the withholding from whole communities the right to employ their capital or labour in a particular channel of industry, and conferring a monopoly of that privilege on some single one as a token of favour ... to these, and a thousand other violations of the principles of political economy, is to be ascribed much, very much of the misery with which the groaning nation of king-governed Europe is filled.”<sup>37</sup>

Leggett’s forceful arguments tightly aligned with the egalitarian views that characterized the emerging Democratic Party during the 1830s. Historian Lawrence Peskin noted that the antebellum free traders “linked laissez-faire to equal rights and equal protection.”<sup>38</sup> By the dawn of the 1840s, the “Democracy” had created a coherent republican vision of political economy within an industrializing world, believing that essential characteristics of a virtuous republic included the protection of each citizen’s rights to life, liberty and property. A concentration of power, whether political or economic, threatened these principles. Government should be the protector, rather than the enemy, of such rights.

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<sup>36</sup> Ibid., 285-286.

<sup>37</sup> Ibid., 286.

<sup>38</sup> Peskin, *Manufacturing Revolution*, 215.

In 1840 Democrats published the first Party platform in American history. This short document addressed the nation's choices regarding political economy, including the tariff. Democrats resolved that "justice and sound policy forbid the federal government to foster one branch of industry to the detriment of another, or to cherish the interests of one portion to the injury of another portion of our common country." They repeated this statement verbatim in their 1844 party platform.<sup>39</sup>

Whigs published their first platform in 1844. Their document also addressed trade policy. They called for "a tariff for revenue to defray the necessary expenses of the government, and discriminating with special reference to the protection of the domestic labor of the country."<sup>40</sup>

These clashing views corresponded with each party's views about the proper role of government. Democrats noted in their platform that "the Federal Government is one of limited powers ... and that it is inexpedient and dangerous to exercise doubtful constitutional powers." Whigs presented an opposite view, and pledged "an administration of the affairs of the country as shall impart to every branch of the public service the greatest practicable efficiency, controlled by a well regulated and wise economy."<sup>41</sup>

The mutually exclusive views between Democrats and Whigs on a host of issues, including economic ones, during the time of the Second Party System have been well documented. The foremost studies have been conducted by Joel Silbey and Thomas Alexander, who both noted that this period was characterized by high degrees of party loyalty and orthodoxy. Silbey's *The Shrine of Party* closely examines congressional voting patterns during the period 1841 through 1852. His data demonstrates that voting unity correlated more strongly to political parties than

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<sup>39</sup> The American Presidency Project, <http://www.presidency.ucsb.edu/ws/index.php?pid=29572#axzz1ZXlhGh4n>, <http://www.presidency.ucsb.edu/ws/index.php?pid=29573#axzz1ZXlhGh4n>.

<sup>40</sup> Ibid., <http://www.presidency.ucsb.edu/ws/index.php?pid=25852#axzz1ZXlhGh4n>.

<sup>41</sup> Ibid., <http://www.presidency.ucsb.edu/ws/index.php?pid=29573#axzz1ZXlhGh4n>, <http://www.presidency.ucsb.edu/ws/index.php?pid=25852#axzz1ZXlhGh4n>.

regions, leading him to conclude that “parties were united ... sections were split.”<sup>42</sup> Alexander’s *Sectional Stress and Party Strength* studied voting patterns in the House of Representatives from 1836 to 1860, and he similarly concludes that “party antagonism dominated the divisions” on economic issues.<sup>43</sup> Silbey and Alexander identified a key attribute of 1840s politics, that party loyalty held a greater sway in Congress than sectional loyalty.

### **Southern Industrial “Takeoff” in the 1830s and 1840s**

In discussing the development, and consequences of American industrialization in the 1830s and 1840s, two significant books, Walter Rostow’s *The Stages of Economic Growth*, and Alexander Gershenkron’s *Economic Backwardness in Historical Perspective* merit consideration. Both works explore the process of economic growth, and particularly in regards to industrialization, in twentieth century developing countries. However, both works used nineteenth century examples to validate their respective theses, and their conclusions can be applied back to the nineteenth century American example.

Walter W. Rostow published *The Stages of Economic Growth* in 1960 and he used the American historical example as part of his analysis. He defined five stages of economic growth in any given national economy: (a) traditional society, (b) precondition for take-off, (c) take-off, (d) drive to maturity, and (e) mass consumption. The case of initial American industrialization during the first half of the nineteenth century involved the transition from “precondition” to “takeoff.”

Rostow defined the precondition stage as “societies in the process of transition ... for it takes time to transform a traditional society in the ways necessary for it to exploit the fruits of modern science.” He further explained that in the modern era “the stage of preconditions arise not

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<sup>42</sup> Silbey, *Shrine of Party*, 65.

<sup>43</sup> Alexander, *Sectional Stress and Party Strength*, 44.

endogenously but from some external intrusion by more advanced societies. These invasions ... set in motion ideas and sentiments which initiated the process by which a modern alternative to the traditional society was constructed out of the old culture.”<sup>44</sup>

He defined take-off as the “great watershed in the life of modern societies.” Rostow noted that historically “the proximate stimulus for take-off was mainly (but not wholly) technological ... the take-off awaited not only the build-up of social overhead capital and a surge of technological development in industry and agriculture, but also the emergence to political power of a group prepared to regard the modernization of the economy as serious, high-order political business.”<sup>45</sup>

Rostow’s “take-off” society is one filled with strong symbiotic relationships between economic spheres. His description paralleled the beliefs of many nineteenth century Americans. Rostow stated that “during the take-off new industries expand rapidly ... these new industries, in turn, stimulate, through their rapidly expanding requirement for factory workers, the services to support them ... . New techniques spread into agriculture as well as industry, as agriculture is commercialized ... revolutionary changes in agricultural productivity are an essential condition for successful take-off; for modernization of a society increases radically its bill for agricultural products.”<sup>46</sup> Rostow’s observations strongly mirror Henry Clay’s vision of the American System from the 1820s through the 1840s.

Rostow estimated the approximate date of American take-off as the period from 1843 to 1860, and that it was initially confined to the Northeastern portion of the country. He also concluded that eventually, over a long period of time, the take-off applied to the entire nation.

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<sup>44</sup> Rostow, *Stages of Economic Growth*, 6.

<sup>45</sup> *Ibid.*, 7-8.

<sup>46</sup> *Ibid.*, 8.

Rostow suggested that the overall process was not fully completed until nearly a century later, in the 1930s, when the South finally achieved takeoff.<sup>47</sup>

Alexander Gerschenkron published *Economic Backwardness in Historical Perspective* in 1962. The work's primary theme was "that in a number of important historical instances industrialization processes, when launched at length in a backward country, showed considerable differences, as compared with more advanced countries, not only with regard to the speed of development (the rate of industrial growth) but also with regard to the productive and organizational structures of industry which emerged from those processes."<sup>48</sup> While its focus was on Europe, its foundational ideas are applicable to the nineteenth century American experience. Importantly, *Economic Backwardness* offers a second perspective, as it often differs with *The Stages of Economic Growth*, rejecting Rostow's premise that industrialization occurred as the final product of a series of identical steps in different societies. Rather, Gerschenkron maintained that varying economic endowments in countries influenced the manner in which they could achieve industrialization.

The most important element of the Gerschenkron thesis was that it was quite feasible for "backward" economies to "catch up" in the industrialization process. Gerschenkron argued that before any industrialization in a nation or region occurs, there exists "tension between the actual state of economic activities ... and the existing obstacles to industrial development, on the one hand, and the great promise inherent in such a development, on the other."<sup>49</sup> However, if political resources can be organized to actively support industrialization through direct or indirect means, non-industrialized countries can successfully industrialize relatively quickly.

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<sup>47</sup> Ibid., 38, 67.

<sup>48</sup> Alexander Gerschenkron, *Economic Backwardness in Historical Perspective* (Cambridge, Massachusetts: Harvard University Press, 1962), 7.

<sup>49</sup> Ibid., 8.

The great obstacle to industrialization is access to the large sums of financial capital. Gerschenkron stated that backward nations can, through use of “borrowed technology” and through active support of the state and or financial institutions such as banks, can result in “A high speed of development in a backward country entering the stage of industrialization.”<sup>50</sup>

Gerschenkron’s thesis correlates strongly with the early nineteenth century American experience. New England and the Atlantic states borrowed British technology and were supported by protectionist trade policy. The region quickly “caught up” with Great Britain between 1810 and 1860.

An oft repeated theme during the tariff debates from 1816 through 1833 was the idea that the South was incapable of directly participating in American industrialization. Some Southerners pointed out that Southern natural resources and slave labor were insurmountable obstacles. Though some Northerners such as Nathan Appleton invited their Southern counterparts to share in the process, most Northerners likewise considered Southern industrialization unlikely. John Quincy Adams exemplified this impression of two distinct economic regions, pitting an industrialized, free labor North against an agrarian, slave dominated South over national economic policies. In 1841, he confronted Southerners over the tariff, stating that ‘the subject was one involving the great question between free labor and slave labor.’<sup>51</sup>

The evidence shows that the antebellum Northern and Southern economies were not as disparate in 1840 as Adams suggested. In the 1830s, meaningful industrialization started in the South. The region expanded its industrial base throughout the following decade.

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<sup>50</sup> Ibid., 8-21.

<sup>51</sup> Cong. Globe, 27<sup>th</sup> Cong., 1st Sess., 98 (1841).

In 1840, New England still dominated American manufacturing; the region domiciled 70% of the nation's 2,284,631 spindles.<sup>52</sup> The growth of manufacturing in the region was stunning. In 1807, only 4,000 cotton spindles existed in all of the United States. By 1815, the average sized cotton mill in Rhode Island, Connecticut, and Massachusetts contained 723 spindles.<sup>53</sup> By 1840, the average number of spindles per New England cotton mill had increased threefold to 2,370 spindles.<sup>54</sup>

The South, in contrast, did not experience substantive manufacturing activity and the building of manufacturing capacity until the 1830s and 1840s. By 1840, the average Southern factory housed 729 spindles, similar to New England's scale twenty-five years before.<sup>55</sup> However, the South also featured some very large facilities by 1840, including South Carolina's Vaucluse factory, which contained over 1,500 spindles by the early 1830s and North Carolina factories in Rocky Mount and Fayetteville, which featured over 2,000 spindles each as early as the 1820s.<sup>56</sup>

Census data from 1840 and 1850 presents strong evidence that Southern manufacturing, particularly in its eastern states, was on the rise during the 1840s. In assessing American industrialization, it is helpful to demarcate the North and South into east and west sub-components, establishing quadrants that separate the states mainly located on or near the Atlantic seaboard from states located west of the Appalachian Mountains. In this scenario, the Northeast consists of both the New England and Atlantic regions and the Southeast is the combination of the Chesapeake and South regions. This treatment is helpful because many of the demographic

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<sup>52</sup> John S. Hekman, "The Product Cycle and New England Textiles," *The Quarterly Journal of Economics* Volume 94, No. 4 (Jun, 1980): 705.

<sup>53</sup> Batchelder, *Early Progress of the Cotton Manufacture*, 53, 59.

<sup>54</sup> Hekman, "The Product Cycle and New England Textiles," 705.

<sup>55</sup> *Ibid.*, 705.

<sup>56</sup> Tom Downey, *Planting a Capitalist South: Masters, Merchants, and Manufacturers in the Southern Interior, 1790-1860* (Baton Rouge: Louisiana State University Press, 2006), 123-126; Norris W. Preyer, "The Historian, the Slave, and the Ante-Bellum Textile Industry," *The Journal of Negro History* Volume 46, No. 2 (Apr, 1961): 69-71.

dynamics of the period can be better understood as an East-West relationship rather than a North-South relationship.

It is important to realize that throughout the Antebellum Era, the United States remained a primarily agricultural nation. Nonetheless, significant demographic and economic changes were occurring. The most notable was westward migration. In the late 1830s, Arkansas (1836) and Michigan (1837) were added to the Union. During the following decade Florida (1845), Texas (1845), Iowa (1846), and Wisconsin (1848) were also added. Between 1840 and 1850, Eastern states experienced an impressive 25% population growth, but Western population growth was an even more impressive 52% rate.<sup>57</sup>

At the same time, industrialization was spreading throughout the nation, though at an uneven rate. The 1850 census was the first to measure the cash value of farms and the total amount of capital invested into manufacturing. From this information, a rough estimate can be calculated of the percentage of assets deployed in manufactures versus assets as a whole in 1850 by region. The following information confirms that the country remained primarily agricultural, but also demonstrated that every region had achieved meaningful levels of industrialization:<sup>58</sup>

**Table 9.2.** Percentage of Total Capital Invested in Manufactures by Region, 1850

Region	Percentage of Capital	Manufactures Capital (millions)	Total Capital (millions)
New England	29.8%	\$158	\$ 530
Atlantic	16.6%	\$219	\$1,321
Chesapeake	9.8%	\$ 33	\$ 336
Northwest	7.3%	\$ 54	\$ 743
South	7.1%	\$ 19	\$ 272
Southwest	6.8%	\$ 40	\$ 583
Totals	13.8%	\$523	\$3,785

Source: United States Census, 1850, <http://fisher.lib.virginia.edu>.

<sup>57</sup> United States Census, 1850, <http://fisher.lib.virginia.edu>.

<sup>58</sup> Ibid.



Clearly, the New England and Atlantic regions were the dominant manufacturing regions. However, the remaining four regions were experiencing meaningful industrialization, as their total manufacturing capital annual growth rates ranged from 5.6% to 6.3% between 1840 and 1850, shown on Table 8.3. This demonstrates that the American “takeoff” was beginning to spread beyond the Northeast.

The census data for both 1840 and 1850 included measures of total capital invested in manufactures alone. From this information we can ascertain the rates of industrial growth by region during the 1840s decade:<sup>59</sup>

**Table 9.3.** Regional Manufacturing Growth, 1840 to 1850

Region	Growth Rate	Manufactures Capital 1840 (millions)	Manufactures Capital 1850 (millions)
Atlantic	119%	\$100	\$219
Northwest	94%	\$ 28	\$ 54
Chesapeake	85%	\$ 18	\$ 33
New England	82%	\$ 87	\$158
South	82%	\$ 11	\$ 19
Southwest	<u>72%</u>	<u>\$ 23</u>	<u>\$ 40</u>
Totals	96%	\$267	\$523

Source: United States Census, 1840 and 1850, <http://fisher.lib.virginia.edu>

The growth rates shown in Table 9.3 validate that all regions were industrializing. Southern states grew their manufacturing infrastructure at rates very similar to their Northern counterparts.

However, the most telling economic and demographic trend of the 1840s can be determined through measuring growth on a per capita basis, to consider the impact of industrialization and population growth together. While the nation’s population grew 35% during the decade, capital invested in manufactures correspondingly grew 96%. The measures on a per capita basis are summarized in Table 9.4:<sup>60</sup>

<sup>59</sup> Ibid.

<sup>60</sup> Ibid.

**Table 9.4.** Regional Growth in Manufacturing Capital per Capita, 1840 to 1850

Region	Growth Rate	Manufactures Capital 1840	Manufactures Capital 1850
Atlantic	68.2%	\$21.76	\$36.60
Chesapeake	57.4%	\$10.42	\$16.40
South	50.4%	\$ 5.07	\$ 7.63
New England	49.2%	\$38.85	\$57.95
Northwest	21.9%	\$ 9.48	\$11.55
Southwest	<u>17.8%</u>	<u>\$ 6.79</u>	<u>\$ 8.00</u>
Totals	45.6%	\$15.67	\$22.82

Source: United States Census, 1840 and 1850, <http://fisher.lib.virginia.edu>

This data provides a clear picture of the east-west nature of the antebellum American industrialization process. It shows that the takeoff of the 1820s, confined largely to the Northeast, was followed by takeoffs in the South and Northwest by the 1840s. The Southwest was showing signs that it would soon be experiencing takeoff as well.<sup>61</sup>

A few important observations regarding Southern industrialization can be derived from the above information. First, the Northeastern regions (Atlantic and New England) clearly remained the industrial bastions of the United States. These two regions contained 70% and 72% of the total national capital invested in manufactures in 1840 and 1850, respectively. Consequently, Southern manufacturing was not sufficiently developed to directly compete with its Northern brethren either in 1840 or 1850. The information in Table 9.4, considered in tandem with the earlier observation regarding average spindles per factory, affirms that Southern industrialization was trailing the North by about a decade or two. A second observation is that the pace of Southern industrial growth was similar to the North between 1840 and 1850, particularly when observing the eastern seaboard regions. Rates of industrial expansion per capita in the

<sup>61</sup> As mentioned in Chapter 1, Rostow's description of takeoff involves increased entrepreneurship, political policy to support industrialization, and increasing rates of capital investment. Each of these variables are subjective to some degree, but by the 1840s there are many examples of ambitious, and large, southern factories, a national-based support for industrialization, and, as noted in Table 9.4, strong rates of capital growth in the first four sub-regions, and moderate growth in the fifth one. These developments support a claim for takeoff beyond the American Northeast in the 1840s.

Chesapeake and South regions were strikingly similar to those of the New England and Atlantic regions. Though the North, and in particular the Northeast, still dominated American manufacturing, the South, and particularly the Southeast, had clearly joined the American industrialization process.

By 1840, industrial growth in the South began to impact politics, as the region's politicians increasingly supported higher tariffs to benefit local manufacturing interests. The distribution of total manufacturing capital per the 1840 and 1850 censuses for the Chesapeake and Southern regions were: Virginia (37%), Maryland (26%), North Carolina (14%), South Carolina (12%), Georgia (10%), and Florida (1%). This assertion can be validated by a review of the most industrialized congressional districts in the South, where levels of local industrialization and the political leanings of their House members during the tariff debates of 1841 and 1842 were highly correlated. These relationships were particularly true for the most industrialized areas in Maryland, Virginia, and North Carolina.

In Virginia, industrialization centered on iron forging, featuring the Tredegar Iron Works in Richmond, founded in 1833, and smaller operations in the Shenandoah Valley such as Buffalo Forge in Rockbridge County. The corresponding representatives for the 11<sup>th</sup> district (Richmond) and the 17<sup>th</sup> district (the Valley) were Whigs John Botts and Alexander Stuart, respectively.<sup>62</sup> Both congressmen consistently voted for higher tariffs during the 1841 and 1842 debates.

Maryland's manufacturing was concentrated in Baltimore, situated in the state's 4<sup>th</sup> district. In the 27<sup>th</sup> Congress the 4<sup>th</sup> district elected two Whig representatives, John Kennedy and Alexander Randall. Both of these gentlemen also voted pro-tariff throughout the debates.<sup>63</sup>

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<sup>62</sup> Parsons, Beach, and Hermann, *Congressional Districts, 1788-1841*, 371-372.

<sup>63</sup> *Ibid.*, 319-320

Likewise, North Carolina's manufacturing interests centered upon the cotton mills that were concentrated near Rocky Mount and Fayetteville. These two areas comprised the 3<sup>rd</sup> and 7<sup>th</sup> congressional districts, respectively. Whigs Edward Stanly (a future Union general during the Civil War) and Edmund Debarry represented these districts and they consistently supported pro-tariff initiatives.<sup>64</sup>

The strength of the correlation between manufacturing and pro-tariff positions weakened in the smaller manufacturing states. South Carolina, which didn't feature a functioning party system, represents an example. Most of South Carolina's cotton mills were located in the 4<sup>th</sup> and 6<sup>th</sup> districts, which incorporated the major factory at Vaucluse. These districts were represented by Democrats Sampson Butler and Francis Pickens, who both consistently opposed the tariff proposals.<sup>65</sup> This anomaly was also impacted by the influence of local state politics, which saw but a single Whig elected by South Carolinians to Congress throughout the 1840s, and then for only a single term.<sup>66</sup>

Likewise, the correlation weakens in the case of Georgia. Most of Georgia's manufacturing centered upon iron factories located near Macon and Augusta. Georgia's representatives were elected on an "at large" basis for the 27<sup>th</sup> Congress, and in October 1840 the Whigs won all nine congressional seats in the state elections. However, while the Georgia delegation was amenable to distributions, the delegation unanimously opposed the tariff during 1841 and 1842.<sup>67</sup>

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<sup>64</sup> Ibid., 342-344; Harold S. Wilson, *Confederate Industry: Manufacturers and Quartermasters in the Civil War* (Jackson, Mississippi: University Press of Mississippi, 2002), 118. By the Civil War, North Carolina's mills produced thirteen million yards of cotton, wool, and yarn annually.

<sup>65</sup> Parsons, Beach, and Hermann, *Congressional Districts, 1788-1841*, 358-360.

<sup>66</sup> *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=B001195>; Parsons, Beach, and Hermann, *United States Congressional Districts, 1788-1841*, 371-372. The only Whig elected during the decade was William Butler from the 8<sup>th</sup> District to serve in the 27<sup>th</sup> Congress. Although a Whig, he consistently voted against his party in 1841 and 1842,

<sup>67</sup> Michael J. Dubin, *United States Congressional Elections, 1788-1997: The Official Results* (Jefferson, North Carolina: McFarland & Company, Inc., 1998), 126.

Importantly, Southern industrialization proved compatible with the social institution of slavery.<sup>68</sup> There are numerous examples in the antebellum South where factories utilized slave labor. In 1814 South Carolina Governor David Williams established a cotton mill on his plantation that utilized slave labor, which eventually grew to between 300 and 400 spindles. By 1840, his son, John Williams, grew the plant to 700 spindles. Slaves were used at the Rocky Mount Cotton Mills and in Fayetteville, North Carolina as early as 1817 and 1825, respectively.<sup>69</sup> In the late 1820s, at the Maryland Chemical works in Baltimore, slaves comprised forty percent of the work force.<sup>70</sup> Slaves were utilized in the tobacco manufacturing factories of Danville, Virginia by 1850.<sup>71</sup>

The quality of slave labor in manufacturing settings was satisfactory in the eyes of contemporaries. James Hammond, of South Carolina, declared in 1841 that “our slaves can be made as expert as any other class in all, or nearly all, the operations of a cotton factory.”<sup>72</sup> In 1851, a visitor to the Saluda factory in South Carolina commented that “A weaver from Lowell has charge ... and she reports that ... there is full as much work done by the blacks, [and] they are much more attentive to the condition of their looms.”<sup>73</sup> By 1840, John Williams’ factory in South Carolina employed twenty-five slave workers as its entire work force, supervised by a single white superintendent. The Vaucluse factory, in which George McDuffie was an investor,

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<sup>68</sup> Robert S. Starobin, *Industrial Slavery in the Old South* (New York: Oxford University Press, 1970), vii. Starobin estimated that five percent of southern slaves were involved in manufacturing activity, which strongly suggests that slaves could be successfully employed in a manufacturing environment.

<sup>69</sup> Preyer, “The Historian, the Slave, and the Ante-Bellum Textile Industry,” 69-71.

<sup>70</sup> T. Stephen Whitman, “Industrial Slavery at the Margin: The Maryland Chemical Works,” *The Journal of Southern History* Volume 59, No. 1 (Feb, 1993): 35.

<sup>71</sup> Frederick F. Siegel, *The Roots of Southern Distinctiveness: Tobacco and Society on Danville, Virginia, 1780-1865* (Chapel Hill: The University of North Carolina Press, 1987), 130-131.

<sup>72</sup> Thomas P. Martin, “The Advent of William Gregg and the Graniteville Company,” *The Journal of Southern History* Volume 11, No. 3 (Aug, 1945): 395.

<sup>73</sup> Starobin, *Industrial Slavery*, 13-14.

used about 40% slave labor during the same general time period.<sup>74</sup> In total, historian Robert Starobin estimates that five percent of all slaves in the 1840s were involved in manufacturing activities, primarily in textile works and iron forges.<sup>75</sup> Fellow historian Richard Wade added that “industrial employment [of slaves], moreover, had proved feasible in a variety of enterprises.”<sup>76</sup>

The growth of manufactures in the South gave rise to an indigenous group of capitalists and theorists who championed further industrialization. The biggest booster was William Gregg of South Carolina. Interestingly, Gregg opposed protective tariffs, believing that industrialization without protection was possible and preferable.<sup>77</sup> He noted that “There is no lack of capital in South Carolina; Charleston, herself, possesses all the requisites ... let the manufacture of cotton be commenced among us ... we shall see the hidden treasures that have been locked up, unproductive and rusting, coming forth to put machinery in motion, and to give employment to the present unproductive labor of our country.”<sup>78</sup>

Even Gregg’s state of South Carolina, the home of nullification, was touched by the Southern takeoff of the 1830s and 1840s. In 1833, the South Carolina Canal and Railroad Company constructed a 136 mile track connecting Charleston to the Edgefield and Barnwell districts.<sup>79</sup> The rail link benefited manufacturing facilities that utilized water power from the state’s many inland rivers. In 1833 a five story factory was completed at Vaucluse in the Edgefield District with more than 1,500 spindles and 25 looms where, by 1836, half of the factory’s employees were slaves.<sup>80</sup> Gregg later established the nearby Graniteville factory in 1849, a massive

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<sup>74</sup> E. M. Lander, Jr., “Slave Labor in the South Carolina Cotton Mills,” *The Journal of Negro History* Volume 38, No. 2 (Apr, 1953): 164-165.

<sup>75</sup> Starobin, *Industrial Slavery*, vii.

<sup>76</sup> Richard C. Wade, *Slavery in the Cities: The South, 1820-1860* (New York: Oxford University Press, 1964), 244.

<sup>77</sup> William Gregg, *Essays on Domestic Industry, an Inquiry into the Expediency of Establishing Cotton Manufactures in South Carolina* (Graniteville, South Carolina: Graniteville Company, 1941), 12.

<sup>78</sup> *Ibid.*, 33.

<sup>79</sup> Downey, *Planting a Capitalist South*, 94.

<sup>80</sup> *Ibid.*, 123-126.

building 350 feet in length, equipped with 9,425 spindles and 300 looms.<sup>81</sup> Graniteville's size and scale were comparable to contemporary Northeastern mills.<sup>82</sup>

Virginia and Georgia also domiciled significant manufacturing establishments. William Weaver began iron working operations the heart of Virginia's Shenandoah Valley in the 1810s, continuously operated through the antebellum period, and his main operation in Rockbridge County at Buffalo Forge exclusively utilizing slave labor by 1840.<sup>83</sup> Robert Findlay's Georgia based Macon Brass & Iron Works and Machine Shop, founded in 1840, employed twenty individuals, including slaves, and produced \$20,000 worth of machinery per annum.<sup>84</sup> J. Shivers and Company established a textile factory in Columbus, Georgia in 1834.<sup>85</sup> By 1840, Georgia was home to nineteen cotton mills containing over 42,000 spindles.<sup>86</sup>

These successful Southern forays into manufactures were well publicized and shaped the course of public opinion. A representative example of the degree to which manufacturing had taken a solid foothold in the South occurred during a debate held in the Barnwell District of South Carolina, an area noted for its devotion to state rights and agrarianism. The local Demosthenian Debating Society held a debate in 1843 that considered the question "Is agriculture or Manufactures of more benefit to Society?"-- which was only decided in favor of agriculture by the president's tie breaking vote.<sup>87</sup>

The Southern industrialization process continued up to the time of the Civil War. Richmond, Virginia became a major iron production center, built around the Tredegar Iron Works, which

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<sup>81</sup> *Ibid.*, 138-139.

<sup>82</sup> Gregg, *Essays on Domestic Industry*, 57.

<sup>83</sup> Charles B. Dew, *Bond of Iron: Master and Slave at Buffalo Forge* (New York: W. W. Norton & Company, Inc., 1994), 20-21, 29, 106.

<sup>84</sup> Robert S. Davis, Jr., *Cotton, Fire, & Dreams: The Robert Findlay Iron Works and Heavy Industry in Macon, Georgia, 1839-1912* (Macon, Georgia: Mercer University Press, 1998), 6, 43.

<sup>85</sup> Mary A. DeCredico, *Patriotism for Profit: Georgia's Urban Entrepreneurs and the Confederate War Effort* (Chapel Hill: The University of North Carolina Press, 1990), 2-4.

<sup>86</sup> Preyer, "The Historian, the Slave, and the Ante-Bellum Textile Industry," 73.

<sup>87</sup> Downey, *Planting a Capitalist South*, 118.

was founded in 1837.<sup>88</sup> During the 1850s capital invested in manufacturing in the South rose another 77%.<sup>89</sup> By 1860, the South, if viewed as an independent nation, was second in the world in rail mileage and sixth in cotton manufacturing in the world.<sup>90</sup> This well-developed industrial base sustained large Southern field armies throughout the Civil War. The Southern industrial expansion during the two decades preceding the war is particularly impressive because it coincided with a boom period in agricultural export prices, fueled by cotton. Export staples increased in value 1.5% more per annum than manufactured goods during that time.<sup>91</sup>

Many Southerners were optimistic about the future of industrialization in the South. William Gregg wrote in the *Charleston Courier* in 1844 that “The United States is destined to be a great manufacturing country, and a few years, even without a protective tariff, will place her on a footing with, if not ahead of the most skilful nations, and all who have any knowledge of the subject admit that South Carolina and Georgia possess advantages, which only need to be fostered to lead to success in Cotton Manufacturing.”<sup>92</sup> Even John Calhoun promoted Southern industrialization when he invested into a Georgia mining operation in the 1830s. Calhoun’s brother-in-law, John Colhoun, founded a woolen factory in the late 1820s.<sup>93</sup>

Although Gregg and other prominent Southern industrialists were free trade advocates, the rise of industry in the South caused many other Southerners to embrace protectionist policies. Edwin Michael Holt, who owned a substantial textile factory in Alamance County, North

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<sup>88</sup> Charles B. Dew, *Ironmaker to the Confederacy: Joseph R. Anderson and the Tredegar Iron Works* (Richmond: The Virginia Library, 1999), 3-4.

<sup>89</sup> McPherson, *Battle Cry of Freedom*, 94.

<sup>90</sup> Robert William Fogel and Stanley L. Engerman, *Time on the Cross: The Economics of American Negro Slavery* (New York: W. W. Norton & Company, Inc., 1994), 255-256.

<sup>91</sup> Thomas F. Huertas, “Damnifying Growth in the Antebellum South,” *The Journal of Economic History* Volume 39, No. 1 (Mar, 1979): 93.

<sup>92</sup> Gregg, *Essays on Domestic Industry*, 11.

<sup>93</sup> Lacy K. Ford, Jr., *Origins of Southern Radicalism*, 64-65.



Carolina, ardently supported Henry Clay.<sup>94</sup> Southern participants at the pro-tariff Home League convention in New York City in April 1842 included such notables as Robert Toombs, John Berrien, and T. Butler King.<sup>95</sup>

Manufacturing was a growing and substantial part of the Southern economy by 1840. Further, slavery, instead of precluding industrialization, provided potential labor to man the factories. These facts caused historians Fred Bateman and Thomas Weiss to conclude that “given the rapid growth of Southern industry during the 1850 to 1860 period, a cross-section glimpse at the late antebellum period, which typifies many characterizations of the South as an industrially-stagnant region before the Civil War, may actually capture a system working toward long-term equilibrium.”<sup>96</sup>

### **The Tariff of 1841**

Whig party devotees were optimistic on March 4, 1841, as William Henry Harrison was sworn in as president. The first-ever Whig chief executive’s bland and lengthy two-hour inaugural address attacked the principle of executive veto power, stating that “to assist or control Congress, then, in its ordinary legislation could not, I conceive, have been the motive for conferring the veto power on the president. This argument acquires additional force from the fact of its never having been used by our first six presidents.”<sup>97</sup> Harrison had supported the tariff as a senator and representative from Ohio, and Henry Clay and Daniel Webster now stood ready to introduce new tariff legislation to address the federal government’s financial duress and to reintroduce the American System in spite of the 1833 compromise. Whig majorities in the

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<sup>94</sup> Bess Beatty, *Alamance: The Holt Family and Industrialization in a North Carolina County, 1837-1900* (Baton Rouge: Louisiana State University Press, 1999), 25-26.

<sup>95</sup> Robert J. Rayback, *Millard Fillmore: Biography of a President* (Norwalk Connecticut: Easton Press, 1959), 127-128.

<sup>96</sup> Fred Bateman and Thomas Weiss “Comparative Development in Antebellum Manufacturing,” *The Journal of Economic History* Volume 35, No. 1 (Mar, 1975): 185.

<sup>97</sup> Hunt, ed., *Inaugural Addresses*, 118.

legislature, combined with Harrison's pro-tariff sentiments and pledge of non-interference, created the likelihood that a new protectionist tariff would be a centerpiece of the Whig economic agenda in the upcoming 27<sup>th</sup> Congress.<sup>98</sup>

The Whig Party scored decisive political victories in 1840, in part due to voter reaction to the Panic of 1837. Whigs gained control of both the executive and legislative branches for the first time in party history. Whigs now occupied 29 of 51 (57%) Senate seats and 143 of 242 (59%) House seats in the 27<sup>th</sup> Congress.<sup>99</sup> Their victory was national in scope, and Whigs now possessed majorities in both the Northern and Southern delegations in House of Representatives as well as the Senate. The party held 61% of the House seats and 58% of the Senate seats from the thirteen free Northern states, and 57% of the House seats and 56% of the Senate seats from the thirteen Southern slave states.<sup>100</sup> The Southern gains were particularly impressive, as Whigs succeeded in winning 54% of the region's popular vote and 62% of its electoral vote.<sup>101</sup>

Whigs were anxious to set to work immediately after the inauguration. Henry Clay planned to introduce legislative initiatives for a new national bank, distributions of federal funds to the states, a repeal of the Van Buren sub treasury, bankruptcy reform, and a new tariff. President Harrison ordered a special session of Congress to meet May 31, 1841 to consider the new economic agenda as quickly as possible.

Unfortunately for the Whigs, fate dealt them a cruel blow as President Harrison took ill and died on April 4.<sup>102</sup> Vice-president John Tyler quickly returned to Washington from his home

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<sup>98</sup> Freeman Cleaves, *Old Tippecanoe* (Norwalk Connecticut: Easton Press, 1986), 336-338.

<sup>99</sup> U. S. Department of Commerce. *Historical Statistics*, 1083. Note that Tennessee had one vacant Senate seat throughout the 27<sup>th</sup> Congress.

<sup>100</sup> *Biographical Directory*, <http://bioguide.congress.gov/biosearch/biosearch1.asp>; Note that in early 1842 three Whig House members from Georgia resigned and were replaced by three Democrats.

<sup>101</sup> Jon Preimesberger, ed., *Presidential Elections*, 90-91.

<sup>102</sup> Cleaves, *Old Tippecanoe*, 341-342.

near Williamsburg Virginia and was sworn into office on April 6, 1841.<sup>103</sup> The selection of the Virginian as vice-president candidate had been intended to geographically balance the Party ticket, but Tyler was the political antithesis of Harrison. Though Tyler was personal friends with Henry Clay, their political views were diametrically opposite.<sup>104</sup>

Tyler was an anomaly, a free trade Whig, and as a congressman he voted against the tariff bills in 1820 and 1828. He was either strongly principled or stubborn, or both, depending upon one's point of view, as exemplified by his casting the sole dissenting vote in the House against Andrew Jackson's Force Bill in 1833.<sup>105</sup> Tyler politically and socially affiliated himself with an unofficial group known as the "Virginia Cabal," whose ranks included congressmen Henry Wise, Robert Hunter, Thomas Gilmer and Francis Mallory. The Cabal's loyalty to the Whig Party derived more from their opposition to Jacksonian Democracy than from enthusiasm for the American System.<sup>106</sup> They never embraced Whiggery's core nationalist ideologies, preferring "Old Republican" views. The Cabal's marriage to the Whig Party was nominal, held together only by a mutual disdain for Andrew Jackson.

The federal treasury balance was rapidly dwindling as Tyler assumed office. During the preceding Van Buren Administration tariffs and land sales had accounted for 63% and 20%, respectively, of all federal revenues.<sup>107</sup> Both sources were adversely impacted by the Panic. Total governmental receipts, which averaged \$35.5 million annually during Andrew Jackson's second term and \$25.6 million annually during Martin Van Buren's term, dropped precipitously

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<sup>103</sup> Edward P. Crapol, *John Tyler: The Accidental President* (Chapel Hill: The University of North Carolina Press, 2006), 9-10.

<sup>104</sup> Watson, *Liberty and Power*, 214.

<sup>105</sup> Oliver Perry Chitwood, *John Tyler, Champion of the Old South* (Newton, Connecticut: American Political Biography Press, 2003), 44-45, 87, 115.

<sup>106</sup> Holt, *Rise and Fall of the Whig Party*, 128.

<sup>107</sup> U. S. Department of Commerce, *Historical Statistics*, 1106, 1115.

to only \$16.9 million in 1841.<sup>108</sup> These low revenues, combined with increased federal spending, forced Congress to approve issuing \$12 million of bonds in 1841. However, only \$5.5 million were actually sold.<sup>109</sup> The economic situation caused Whigs to conclude that increased tariff constituted the best alternative option.

Henry Clay assumed the tactical helm of the Whig legislative effort, which lasted the duration of the special session from May 31, 1841, through the hot summer months, to September 13.<sup>110</sup> Despite of the Treasury's dire condition, Clay prioritized a national bank and distribution first, foregoing the tariff issue until late summer. Clay's Distribution Act, like its 1836 predecessor, intended to divert all proceeds from sales of federal lands to the states, with the first ten percent going to the state in which the land was sold and the remainder to be distributed to all states in proportion to their congressional representation. Strictly speaking, the Distribution Act was not tied to tariffs. As a practical matter, it was integrally entwined with the tariff issue. The Act's passage would exacerbate the treasury shortfall by cutting a primary revenue source, virtually necessitating that tariffs be increased in order to fund all of the federal government's operating expenses.<sup>111</sup> Consequently, voting patterns on the distribution bill strongly correlated to congressional views on the tariff. The Distribution Act passed the House on July 6, 1841, by a vote of 116 to 107 and the Senate on August 26 by a vote of 28 to 23.<sup>112</sup>

The House and Senate proceeded to consider the tariff on July 24 and August 27, respectively. The 1841 bill proposed to augment the Treasury's revenues by charging a 20% duty on goods that had previously been admitted either free or at rates less than 20%. If passed,

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<sup>108</sup> Ibid., 1106.

<sup>109</sup> Norma Lois Peterson, *The Presidencies of William Henry Harrison & John Tyler* (Lawrence: University Press of Kansas, 1989), 98.

<sup>110</sup> Cong. Globe, 27<sup>th</sup> Cong., 1st Sess., 1 (1841); Peterson, *Presidencies of Harrison & Tyler*, 129.

<sup>111</sup> Peterson, *Presidencies of Harrison & Tyler*, 98-99.

<sup>112</sup> Cong. Globe, 27<sup>th</sup> Cong., 1st Sess., 156, 388 (1841).

the bill would uphold the existing terms of the Compromise Tariff because the newly established duties would remain at, or below, the required 20% cap.

The brief debate that followed featured many of the traditional nationalist and free trade arguments that had been hallmarks of previous tariff initiatives. Participants characterized the tariff as a struggle between competing, and mutually exclusive, economic systems. For example, in the House, former president John Quincy Adams, an ardent protectionist, remarked that the tariff pitted the competing interests of free and slave labor against one another.<sup>113</sup>

Some agricultural special interests tried to take advantage of the reopened tariff dialogue to push for new protection for some of their products. Democrat Senator Levi Woodbury of New Hampshire proposed placing sumac on the list of approved tariffs in order to encourage its domestic cultivation. Sumac, a plant whose species includes poison ivy, produces a gum extract that was used in tanning processes by American manufacturers. Woodbury declared that “the farming interest [is] as much entitled to protection as other interests.” Henry Clay declared against protection for this item, since “Imported sumach came from countries where labor was much cheaper ... it was in the interests of our manufacturers to obtain it upon the cheapest terms they can ... our agricultural labor can be better employed in other channels of industry.” Clay’s explanation represented a shift from his position during earlier tariff debates. Throughout the 1820s and early 1830s, he had ardently sought protection for hemp, another agricultural product that was widely produced in Clay’s native state of Kentucky.<sup>114</sup>

Manufacturing interests also requested increased protection. Pennsylvania Democrat Senator James Buchanan spoke for Pennsylvania’s iron producers, since “it was well known that there was iron in Pennsylvania equal to the best English iron for railroads, enough indeed to support

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<sup>113</sup> *Ibid.*, 266.

<sup>114</sup> *Ibid.*, 399; see also comments by John Calhoun, criticizing Clay for an inconsistent position, 399.

the whole world.” Calhoun, whose own state was busy building railroads, commented that such a proposal pitted domestic special interest groups against one another, retorting that “the Senator says that manufacture of iron is important; so is the manufacture of railroads important ... we are here fighting in the dark, railroads against iron; iron wanting the supremacy over railroads, and railroads not wishing to yield this supremacy.”<sup>115</sup>

Iron, along with cotton and wool, had previously received substantial protection in previous tariff bills. Beginning with the railroad construction boom in the 1830s, however, Congress began removing iron protection. Senator Alfred Cuthbert of Georgia reminded his colleagues of this fact, noting that “the purpose of the law of 1832, exempting iron from duty, was to encourage enterprise for general public benefit, for the establishment of railroads.” Clay countered that iron protection would demonstrate “the wisdom of the principle of protection ... in less than five years, were this amendment adopted, the foreign iron would be brought to a much less rate than at present, as there would be an American rival in the trade.”<sup>116</sup>

Clay, ignoring the 1833 compromise, sought to resurrect the American System. He noted that “he and his friends were in favor of the universal practice of nations, and the wholesome and necessary protection of manufactures,” and described anti-tariff forces as favoring “book theory and abstractions.”<sup>117</sup> John Calhoun reminded his fellow senators that the American System shouldn’t even be considered in the discussion, as “the object of the compromise bill was in the first place to sweep away the protective system.”<sup>118</sup>

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<sup>115</sup> Ibid., 400, 403.

<sup>116</sup> Ibid., 404.

<sup>117</sup> Ibid., 399.

<sup>118</sup> Ibid., 430.

After brief debate the Tariff Bill of 1841, sans added protection for either sumac or iron, passed. The House approved the legislation on July 30 by a vote of 116 to 101.<sup>119</sup> It became quickly evident that the bill would fail to offset the Federal operating deficit, and it was amended during the Senate debates with a proviso that negated the Distribution Act if the reductions pursuant to the Compromise Tariff of 1833 were not enacted on their scheduled dates in 1842. On September 7, the Senate overwhelmingly approved this modified version of the bill by a vote of 33 to 11.<sup>120</sup> President Tyler quickly signed the tariff bill into law.<sup>121</sup>

The Whig special session legislation in the 1841 addressed the nation's short-term economic crisis. President Tyler left the legislative branch alone to craft and approve a solution and Whigs anticipated he would do the same in 1842 when they planned to enact more sweeping changes to trade policy. Henry Clay returned home to Ashland, resigning his Senate seat on March 31, 1842 in order to prepare for a presidential bid in 1844, and his capable Kentucky protégé, John Crittenden, assumed congressional management of the Whig agenda.<sup>122</sup>

### **The Tariff Debates of 1842**

Whigs sought to reintroduce the essential trade policy elements of the American System in 1842. The two final incremental tariff reductions of 9% each, agreed to as part of the Compromise Tariff, were scheduled to occur on January 1 and July 1, 1842, to finally arrive at a permanent *ad valorem* rate of 20%.<sup>123</sup> While the Tariff of 1841 had left the terms of the 1833 compromise intact, the 1842 Whig legislative agenda actively sought to overturn it.

Whigs recognized an opportunity, in light of the nation's financial woes originating with the Panic of 1837, to resurrect a new tariff along nationalist lines. The House opened the new round

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<sup>119</sup> Ibid., 274.

<sup>120</sup> Ibid., 438.

<sup>121</sup> Stanwood, *American Tariff Controversies*, 2:14-17.

<sup>122</sup> *Biographical Directory*, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=C000482>.

<sup>123</sup> Northrup and Turney, eds., *Encyclopedia of Tariffs and Trade*, 3:40-41.

of tariff discussions on June 9, 1842, when Representative Millard Fillmore of New York introduced the “Little Tariff” bill, which proposed to extend the schedule of duties in place June 1 pursuant to the Compromise Tariff forward to August 1. Whigs argued that a delay of the last scheduled tariff reduction would provide Congress with sufficient time to establish a long-term solution to the federal financial crisis.<sup>124</sup> The bill also provided that land sales distributions would continue despite the delayed reduction, contradicting the proviso attached to the 1841 Tariff Act. After a brief debate lasting less than a week, the bill passed by a vote of 116 to 103.<sup>125</sup> John Crittenden proceeded to introduce the bill to the Senate on June 23. One day later, with the final scheduled reduction on June 30 looming, the Senate passed the bill 24 to 19.<sup>126</sup>

At this juncture, the process experienced an unanticipated obstacle. President John Tyler vetoed the Little Tariff five days after the Senate’s passage, citing its conflict with the 1841 Tariff Act’s distribution provision. The new president signaled his intent to uphold “Old Republican” principles in the face of Whig nationalism.<sup>127</sup>

The House began considering a permanent tariff bill on June 18, even before the Little Tariff made its way to the Senate. The “Permanent Tariff” proposed significant increases in tariff duties back to the levels of 1832. It also proposed to retain the 1841 Distribution Act. The bill narrowly passed the House on July 16 by a vote of 116 to 112.<sup>128</sup> The Senate debate concluded on August 5 and the bill passed by a vote of 25 to 23.<sup>129</sup> On August 9 Tyler again vetoed the bill, explaining that the combination of increased duties and distribution violated the letter, as well as the spirit, of the 1841 Tariff Act.<sup>130</sup>

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<sup>124</sup> Rayback, *Millard Fillmore*, 122; Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess., 604 (1842).

<sup>125</sup> Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess., 637 (1842).

<sup>126</sup> *Ibid.*, 679.

<sup>127</sup> Peterson, *Presidencies of Harrison & Tyler*, 101-102.

<sup>128</sup> Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess., 762 (1842).

<sup>129</sup> *Ibid.*, 852.

<sup>130</sup> Remini, *Daniel Webster*, 569-570; Peterson, *Presidencies of Harrison & Tyler*, 103-104.



Ultimately, the Whigs conceded to President Tyler and eliminated the distribution provisions from the tariff bill. On August 22, the House finally passed a modified measure by a vote of 105 to 103 and the Senate did the same five days later by a vote of 24 to 23.<sup>131</sup> The new tariff restored *ad valorem* rates to their 1832 levels, and included high specific duties on iron ore, manufactured iron products such as rails, and clothing. Overall, the new tariff established an average tariff rate of 33%.<sup>132</sup> President Tyler, facing a drained treasury, signed the bill into law on August 30.<sup>133</sup> However, Tyler had successfully separated the tariff and distribution issues. Calhoun gleefully noted that “The Whigs are now divided into two parties ... one preferring the Distribution to the Tariff, and the other the Tariff to the Distribution; and neither willing to join in a bill simply for revenue with us.”<sup>134</sup> The Whigs quickly passed a separate distribution bill, but Tyler pocket vetoed it, ending all hopes for the distribution initiative.<sup>135</sup>

The debates surrounding the Little Tariff, the Permanent Tariff, and the Revised Permanent Tariff all featured common themes. The demarcation occurred along traditional lines, but now the respective positions also corresponded with the two major political parties. Whigs advocated economic nationalism while Democrats argued for free trade principles.

Whigs used three primary themes in arguing for higher tariffs. The first was familiar, a call for increased national economic and military strength. They believed that maintaining protectionism was a prerequisite for American manufacturing prosperity, which would eventually create national economic strength sufficient to compete with European powers. A second theme was new, and represented an adaptation to ongoing democratization and the rapidly increasing number of immigrants in American society. Whigs argued that protectionism

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<sup>131</sup> Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess., 926, 960 (1842).

<sup>132</sup> Northrup and Turney, eds., *Encyclopedia of Tariffs and Trade*, 3:45-61.

<sup>133</sup> Peterson, *Presidencies of Harrison & Tyler*, 107-108.

<sup>134</sup> Holt, *Rise and Fall of the Whig Party*, 147.

<sup>135</sup> *Ibid.*, 148.

benefitted American workers by driving up wages. The final theme was a familiar refrain; Whigs maintained that free trade was an impractical idea grounded in theory, lacking empirical evidence that it could ever be put into practice.

The 1842 tariff debates commenced with disagreement over the bill's purpose. Millard Fillmore introduced the Little Tariff simply stating that "this was a revenue bill, intended to supply the wants of the treasury."<sup>136</sup> Virginia Democrat representative Thomas Gilmer contested Fillmore's characterization, declaring that "These bills were founded upon different principles – upon protection and revenue, and upon both blended, according to the views of their advocates." Gilmer explained that "there were three parties in the House at this time; the first was in favor of ... protection; the second ... the attainment of distribution; the third for revenue only ... The object sought after by many gentlemen was to unite the first two, and get protection and distribution."<sup>137</sup>

The primary Whig argument was the familiar refrain that protective tariffs would foster American industrialization and make the United States self-reliant both economically and militarily. Representative John Kennedy of Maryland demanded "protection for the country, and for every portion of the country," because protection was "one of the highest duties of this government ... revenue ... was a necessary evil; but [we] must have protection to secure to our own people our own markets against all the world."<sup>138</sup> Pennsylvania Democratic Senator James Buchanan joined the Whigs on this point for the benefit of his iron industry constituents, stating that he would "discriminate – and especially would be discriminate in favor of such manufactures as were essentially necessary ... in time of war."<sup>139</sup>

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<sup>136</sup> Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess., 604 (1842).

<sup>137</sup> Ibid., 628-629.

<sup>138</sup> Ibid., 721.

<sup>139</sup> Ibid., 702; see comments by Charles Ingersoll (PA), 743.

Whigs reiterated that that all economic spheres and geographic regions should expect to prosper under the American System. Massachusetts congressman Leverett Saltonstall noted that the “commercial and manufacturing interests were not alone in calling for action on the subject; the agricultural interests were alike involved in it; [Congress] had received memorials from the South and West.”<sup>140</sup> Thomas Marshall of Kentucky pointed out that protection was a national, rather than regional, doctrine. He stated that “This bill is not inattentive to Southern interests whenever they can come within the protective principle. Take sugar ... sugar is protected by a duty of 50 per cent .... Kentucky, Indiana, Illinois, Missouri and more extensive regions still, are fitted to the production of hemp, sufficient for the whole national supply.”<sup>141</sup>

Another aspect of the “nationalist” argument, previously cited in 1828 and 1832, was that previous protectionist policies created an implied pledge by the federal government to manufacturers. Connecticut representative John Brockway described the tariff as a quasi-covenant between government and the private sector, declaring that “the protective policy did not originate in New England. It was forced on her by the acts of this Government ... which had induced so many in the North and East to invest capital in manufactures, and which ... gave them certain *vested rights* (emphasis added) by pledging the faith of the Government for their protection.”<sup>142</sup>

Tariff advocates also argued, as a second major theme, that protection benefitted American workers. New York Whig congressman Hiram Hunt stated that “Not only did he believe that Congress had the constitutional power, but he held it to be their duty, to protect American labor from hostile enactments of foreign Governments.”<sup>143</sup> Whig Pennsylvania Representative

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<sup>140</sup> Ibid., 650.

<sup>141</sup> Ibid., 750.

<sup>142</sup> Ibid., 659.

<sup>143</sup> Ibid., 658.

William Irwin referred to “the state of feeling on the subject of the tariff in his own district and stated the contents of a memorial ... adopted by a meeting [including] prominent personages of the Democratic party ... it took strong ground in favor of protecting American industry against the labor of the half-starved paupers of Europe.”<sup>144</sup> Maine Senator George Evans defined national prosperity as “the high price of wages. What is to keep up the price of wages but high prices?”<sup>145</sup>

Protectionists also attacked the practicality of free trade, constituting their third major theme. Virginia Whig congressman Alexander Stuart explained that “free trade never had been the policy of any country, and never would be; and therefore it was unprofitable to contend with an abstraction.”<sup>146</sup> New York’s Hunt added that “England ... had derived the greatest advantage from the protective system ... [no] single British statesman, Whig or Tory ... practically advocated free trade.”<sup>147</sup>

Free-traders objected to the tariff with three themes of their own. Their first objection related to distribution, which necessitated tariff increases to offset the loss of land sale revenues to the federal government. The second objection was that the Compromise Act of 1833 had settled the tariff issue once and for all, and that Whigs were reneging on a bargain already struck. Their final argument was the most important one, that free-trade policy was essential to the safeguarding American republicanism. They equated protection with economic favoritism and privilege, a situation incompatible with republicanism because it built up vast economic power in the hands of a few, which inevitably led to political corruption.

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<sup>144</sup> *Ibid.*, 732.

<sup>145</sup> *Ibid.*, 851.

<sup>146</sup> *Ibid.*, 735.

<sup>147</sup> *Ibid.*, 658; See comments by Representative John Reynolds (IL), 738, and Senator George Evans (ME), 850.

Democrats argued that the Distribution Act placed excessive economic power in hands of both the federal and state governments. Representative John Jones praised his native Virginia's refusal "to receive the proceeds of the land money ... her principles could not be bought."<sup>148</sup> John Van Buren of New York believed that land sale revenues should stay with the federal government, and "he could vouch for the Democracy on that floor, that if the land revenues were restored to the Government, to which they belonged, they would be willing to vote for such a tariff as would be necessary for the economical purposes of the Government."<sup>149</sup>

A second Democrat objection was that the Whigs were renegeing on pledges made in the Compromise Tariff. Roger Gamble of Georgia noted that the Whigs had not run on a protectionist platform in the South in the recent election and "protested against having a protective tariff fastened upon them as a consequence of the victory of the Whigs in 1840."<sup>150</sup> William "Extra Billy" Smith of Virginia denied that any promises or concessions had been made to manufacturers in the Compromise Act:

Mr. Clay declared that the tariff was at the last gasp ... the gentlemen of the South, with unequaled generosity yielded to ... the manufacturers the benefits of protection for nine years longer ... now that the South was to receive its share of the advantages held out by it, gentlemen were anxious to violate it ... I've got the gentleman's principles; and what are they? The five loaves and the seven fishes – protection and distribution – plunder and division.<sup>151</sup>

Massachusetts' Nathan Appleton contested Smith's argument, suggesting that the Compromise Act amounted to a corrupt bargain, and that it was a deal "to which the Jackson party and the State of South Carolina were the parties ... manufacturers were ... victims ... The compromise act [was] an arrant imposture, and ... not obligatory on manufacturing interests."<sup>152</sup>

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<sup>148</sup> Ibid., 635.

<sup>149</sup> Ibid., 658.

<sup>150</sup> Ibid., 636.

<sup>151</sup> Ibid., 713.

<sup>152</sup> Ibid., 721.

Finally, the most powerful objections to the proposed tariff attacked its protective principles. Liberals maintained that free trade promoted liberty and equal opportunity for all citizens. In contrast, protection amounted to economic favoritism, and the resulting concentrations of economic power would eventually corrupt and destroy the republic.

Many free trade advocates insisted that the proposed tariff placed economic burdens on American citizens. John Van Buren complained of the “injustices of a high tariff to the other diversified interests of the country, and to its commerce generally.”<sup>153</sup> Indiana’s Andrew Kennedy had “no patience with the doctrines of protection; he could just as calmly sit down and reason about the modus operandi of stealing from his pocket the produce of a day’s labor, as about this doctrine of protection ... if such [economic prosperity] were to be the effect ... the consumer would ask for it ... not the manufacturer.”<sup>154</sup> Arthur Bagby of Alabama declared that he was “opposed to protection in all its forms ... the country had not yet reached that climax in stupidity, in which it could believe that to tax the people heavily is to promote their prosperity.”<sup>155</sup>

Other critics viewed the tariff as favoritism to economic special interest groups. Pennsylvania Representative Joseph Fornance commented that “if it [the tariff] meant a bounty given to a particular occupation – a tax to aid one man or set of men who could not live without it, and who required the protection of Government to enable their business to succeed – he was opposed to it, and would deem such a system oppressive and unjust.”<sup>156</sup> William Smith described protection “as a system of plunder ... What was the reason the manufacturers could not thrive without this

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<sup>153</sup> Ibid., 658.

<sup>154</sup> Ibid., 662.

<sup>155</sup> Ibid., 807.

<sup>156</sup> Ibid., 663.

insidious distinction in their favor? Plainly because labor and capital employed in other avocations were more profitable and attended with richer rewards.”<sup>157</sup>

Economic liberals argued the superiority of their theories over the American System. Virginian Robert Hunter “expressed astonishment that, in this enlightened age ... when other nations were advancing with the progressive spirit of the times, and laying down their restrictive armor, this country was asked to revive a policy that would better become the empire of Mehemet Ali, than such a nation as ours.”<sup>158</sup> Aaron Brown of Tennessee proclaimed that “protection had now become odious, and many who had once advocated it, now merely expressed themselves for a tariff for revenue, though in disguise for protection.”<sup>159</sup>

It is important to note that free traders were not necessarily anti-manufacturing. Their foremost concern was to establish a fair economic playing field, consistent with republican principles. Aaron Brown stated that “he was not an enemy to useful manufactures, but thought that, in a country like the United States, where raw materials were so cheap, water-power so abundant, and taxes on real property so low, it was exceedingly singular if the manufacturers could not sustain themselves by the aid of a duty of twenty or twenty-five percent.”<sup>160</sup> Mississippian William Gwin pointed out that trade policy should be based on principle rather than economic self-interest when he pointed out that “years ago, the South was extensively engaged in the culture of indigo. ... how did this section act when it was found that other countries could compete with it in the production of this article? Did it come to Congress and ask protection ...? It did not look to its own selfish interest, but abandoned the production of the article.” He concluded that “what the South wanted was free trade, and the world at large for a

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<sup>157</sup> Ibid., 737.

<sup>158</sup> Ibid., 743.

<sup>159</sup> Ibid., 653-654; see comments by Representative John Snyder (PA), 667.

<sup>160</sup> Ibid., 653-654.

market.”<sup>161</sup> Levi Woodbury of New Hampshire explained that “though he was deliberately and decidedly opposed to the tariff system, it was not because he was hostile to the manufacturing interests. All he desired was equal privileges.”<sup>162</sup>

In the end, free traders simply could not reconcile artificial economic privileges with republican virtue. Alabama’s Dixon Lewis best summed this viewpoint when he explained that “According to all ... conceptions of free governments, they were instituted solely for the protection of life, liberty, and property ... he looked upon the system of protective tariffs and distribution as the grossest and most unjust species of favoritism.” Lewis chastised protectionists, suggesting that “They began at the wrong end. Instead of asking for protection to increase the prices of their products, they should produce cheaper, and this was the only way to become prosperous. They could not, by legislation, change the laws of trade, which were of Divine origin. ... the life of business was competition.”<sup>163</sup>

Venerable John Calhoun, co-author of the Compromise Tariff, remained silent through most of the 1842 debates, but offered a last word. He concluded that “the tariff bill of 1828 was justly called a tariff of abominations. But, bad as it was, this is infinitely worse. The average of duties by this bill on the necessaries of life will be 10 percent greater than was the average of the tariff bill of 1828.”<sup>164</sup> In Calhoun’s view, economic favoritism had won the day, and the citizens of the American republic were the victims. The seeds for economic tyranny, and an attack upon true republican ideals, had been sown.

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<sup>161</sup> Ibid., 735.

<sup>162</sup> Ibid., 798.

<sup>163</sup> Ibid., 741-742.

<sup>164</sup> Ibid., 848.



### **The Tariffs of 1841 and 1842: A Voting Analysis**

The Second Party System, featuring a sharp demarcation between Whigs and Democrats on the tariff issue, shifted the pattern from one dominated by region to one of party, where voting discipline could be enforced in most cases. While tariff rhetoric in 1841 and 1842 resembled past episodes, the roll calls sharply contrasted with previous votes. The regional pattern of voting that dominated the tariff issue from 1824 through 1833 was decisively broken. These dynamics had been absent from the American political landscape since the Madison presidency. A review of each of the five major legislative bills that either directly or indirectly impacted the trade policy discourse in 1841 and 1842 (Distribution, Tariff of 1841, Little Tariff, Permanent Tariff, and Revised Permanent Tariff) illustrate that dynamic political shifts had occurred since 1833 regarding trade policy.

An analysis of the 1841 Distribution bill by region shows the breakdown of regional solidarity in comparison to tariff votes in 1824, 1828, and 1832. Table 9.5 shows that the New England and Atlantic states, who by 1832 had become ardent supporters of economic nationalism, were significantly divided on the distribution issue in both the House and Senate. The South and the Chesapeake, reliably anti-nationalist, featured a sizable minority of “aye” votes in the House and a majority their senators favored the bill. The two Western regions, which stood to greatly benefit from internal improvements, were surprisingly divided.

**Table 9.5.** Ratification Vote of the 1841 Distribution Bill by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT,MA,ME,NH,RI,VT)	28	10	8	4
Atlantic	(DE,NJ, NY,PA)	37	32	5	3
Chesapeake	(MD,VA)	12	16	4	0
South	(GA,NC,SC)	5	25	3	3
Northwest	(IL,IN,MI,OH)	18	8	4	4
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>16</u>	<u>16</u>	<u>4</u>	<u>9</u>
Totals		116	107	28	23

Source: Cong. Globe, 27<sup>th</sup> Cong., 1st Sess. 156, 388 (1841).

The voting patterns for the Distribution Bill in the House, illustrated in Table 9.6, are more correlated when votes are tabulated by party affiliation. Democrats, ideologically opposed to the American System, unanimously voted against the measure by a vote of 90 to 0. Whigs favored the measure by a margin of 116 in favor to only 17 against. Of the 17 dissenters, 16 came from the Chesapeake and South regions, areas least likely to benefit from the Distribution bill.

**Table 9.6.** House Ratification Vote – The 1841 Distribution Bill by Region & Party

Region	States	Democrat Ayes	Democrat Nays	Whig Ayes	Whig Nays
New England	(CT,MA,ME,NH,RI,VT)	0	10	28	0
Atlantic	(DE,NJ, NY,PA)	0	32	37	0
Chesapeake	(MD,VA)	0	12	12	4
South	(GA,NC,SC)	0	13	5	12
Northwest	(IL,IN,MI,OH)	0	8	18	0
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>0</u>	<u>15</u>	<u>16</u>	<u>1</u>
Totals		0	90	116	17

Source: Cong. Globe, 27<sup>th</sup> Cong., 1st Sess. 156 (1841).

The demarcation along party lines was even more striking in the Senate. Table 9.7 shows that all 28 Whig senators voted for the bill, while all 23 Democrats voted against the measure. Clearly, loyalty was a much stronger influence on the Distribution Bill vote than geography.

**Table 9.7.** Senate Ratification Vote – The 1841 Distribution Bill by Region & Party

Region	States	Democrat Ayes	Democrat Nays	Whig Ayes	Whig Nays
New England	(CT,MA,ME,NH,RI,VT)	0	4	8	0
Atlantic	(DE,NJ, NY,PA)	0	3	5	0
Chesapeake	(MD,VA)	0	0	4	0
South	(GA,NC,SC)	0	3	3	0
Northwest	(IL,IN,MI,OH)	0	4	4	0
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>0</u>	<u>9</u>	<u>4</u>	<u>0</u>
Totals		0	23	28	0

Source: Cong. Globe, 27<sup>th</sup> Cong., 1st Sess. 388 (1841).

A similar pattern emerges in analyzing the votes associated with the Tariff of 1841. The bill garnered appreciable support from all geographical regions, as summarized in Table 9.8. If the six regions that have characterized this study are aggregated into larger scale “super-regions,” delineated as the North (New England and Atlantic), South (Chesapeake and South), and West (Northwest and Southwest), it is informative to note that the Tariff Bill received a majority vote in all three super-regions in both the House and Senate.

**Table 9.8.** Ratification Vote of the Tariff of 1841 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT,MA,ME,NH,RI,VT)	22	14	7	1
Atlantic	(DE,NJ, NY,PA)	32	37	7	1
Chesapeake	(MD,VA)	11	13	3	0
South	(GA,NC,SC)	15	12	4	2
Northwest	(IL,IN,MI,OH)	18	8	4	2
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>18</u>	<u>17</u>	<u>8</u>	<u>5</u>
Totals		116	101	33	11

Source: Cong. Globe, 27<sup>th</sup> Cong., 1st Sess. 274, 438 (1841).

A review of the Tariff of 1841 along party lines again shows that the line of demarcation was based upon ideology rather than geography. Table 9.9 tabulates the House roll call by political party. In this instance, Democrat representatives unanimously voted against the measure, while 116 of 132 Whigs voted for it. The Whig defectors were spread throughout varying regions, again demonstrating the weakness of geography as a factor in influencing voting patterns.

**Table 9.9.** House Ratification Vote – The Tariff of 1841 by Region & Party

Region	States	Democrat Ayes	Democrat Nays	Whig Ayes	Whig Nays
New England	(CT,MA,ME,NH,RI,VT)	0	9	22	5
Atlantic	(DE,NJ, NY,PA)	0	33	32	4
Chesapeake	(MD,VA)	0	9	11	4
South	(GA,NC,SC)	0	11	15	1
Northwest	(IL,IN,MI,OH)	0	7	18	1
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>0</u>	<u>16</u>	<u>18</u>	<u>1</u>
Totals		0	85	116	16

Source: Cong. Globe, 27<sup>th</sup> Cong., 1st Sess. 274 (1841).

The Senate voting pattern on the Tariff of 1841 was more ambiguous than the House. In this instance, all 25 Whig senators voted in favor of the measure. Democrats demonstrated less solidarity, voting against the bill by only an 11 to 8 margin. The logical explanation for this pattern is that the Senate version added the proviso negating the Distribution Bill if the scheduled rate reductions per the Compromise Tariff of 1833 were not enacted. Many Senate Democrats were willing to accept the short-term consequences of the Tariff bill in exchange for what was perceived to be a guaranty that the terms of the Compromise Tariff would be respected.

**Table 9.10.** Senate Ratification Vote – The Tariff of 1841 by Region & Party

Region	States	Democrat Ayes	Democrat Nays	Whig Ayes	Whig Nays
New England	(CT,MA,ME,NH,RI,VT)	0	1	7	0
Atlantic	(DE,NJ, NY,PA)	2	1	5	0
Chesapeake	(MD,VA)	0	0	3	0
South	(GA,NC,SC)	1	2	3	0
Northwest	(IL,IN,MI,OH)	1	2	3	0
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>4</u>	<u>5</u>	<u>4</u>	<u>0</u>
Totals		8	11	25	0

Source: Cong. Globe, 27<sup>th</sup> Cong., 1st Sess. 438 (1841).

In 1842, when the Whig legislative agenda sought to reintroduce the key elements of the American System, the political scenario was similar to 1824 and 1828, when nationalists had previously pressed a similar agenda. The prior initiatives in 1824 and 1828 featured sharp voting demarcations based on region. The voting patterns in 1842, shown in Table 9.11, distinctly

differed from those prior experiences. While the Little Tariff received significant support in New England and was heavily opposed in the South, all regions featured significant minority voting blocs in both the House and Senate.

**Table 9.11.** Ratification Vote of the “Little Tariff” of 1842 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT,MA,ME,NH,RI,VT)	27	9	7	3
Atlantic	(DE,NJ, NY,PA)	35	32	4	3
Chesapeake	(MD,VA)	11	12	2	1
South	(GA,NC,SC)	6	21	2	3
Northwest	(IL,IN,MI,OH)	20	9	4	4
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>16</u>	<u>18</u>	<u>5</u>	<u>5</u>
Totals		115	101	24	19

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 637, 679 (1842); note that although the *Globe* reported the House roll call vote as 116 to 103, only 115 aye and 101 nay votes are recorded.

In contrast, the influence of political party affiliation on the Little Tariff votes was far more correlated. As illustrated in Table 9.12, House Whigs favored the measure by a margin of 113 to 12, while Democrats opposed the measure 89 to 2. The few Whig defectors largely came from the Chesapeake and South regions.

**Table 9.12.** House Ratification Vote – The “Little Tariff” of 1842 by Region & Party

Region	States	Democrat Ayes	Democrat Nays	Whig Ayes	Whig Nays
New England	(CT,MA,ME,NH,RI,VT)	1	9	26	0
Atlantic	(DE,NJ, NY,PA)	0	31	35	1
Chesapeake	(MD,VA)	0	9	11	3
South	(GA,NC,SC)	0	14	6	7
Northwest	(IL,IN,MI,OH)	1	8	19	1
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>0</u>	<u>18</u>	<u>16</u>	<u>0</u>
Totals		2	89	113	12

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 637 (1842); note that although the *Globe* reported the House roll call vote as 116 to 103, only 115 aye and 101 nay votes are recorded.

A similar pattern emerges when analyzing the Senate votes. Table 9.13 shows that Whigs approved of the Little Tariff by casting 24 ayes versus only 2 nays. Democrats voted against the measure by a 17 to 0 vote.

**Table 9.13.** Senate Ratification Vote – The “Little Tariff” of 1842 by Region & Party

Region	States	Democrat Ayes	Democrat Nays	Whig Ayes	Whig Nays
New England	(CT,MA,ME,NH,RI,VT)	0	3	7	0
Atlantic	(DE,NJ, NY,PA)	0	3	4	0
Chesapeake	(MD,VA)	0	0	2	1
South	(GA,NC,SC)	0	2	2	1
Northwest	(IL,IN,MI,OH)	0	4	4	0
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>0</u>	<u>5</u>	<u>5</u>	<u>0</u>
Totals		0	17	24	2

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 679 (1842).

The patterns established with the Little Tariff were largely duplicated a few weeks later when the Permanent Tariff bill was considered. Overall voting results were slightly closer, as some anti-tariff legislators who did not participate in the Little Tariff vote turned out for the Permanent Tariff roll call. Table 9.14 presents a similar voting pattern to the earlier bill. There was appreciable voting support and resistance in virtually every region in both Senate and House.

**Table 9.14.** Ratification Vote of the Permanent Tariff of 1842 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT,MA,ME,NH,RI,VT)	27	9	8	4
Atlantic	(DE,NJ, NY,PA)	37	33	5	3
Chesapeake	(MD,VA)	13	15	3	1
South	(GA,NC,SC)	4	24	1	4
Northwest	(IL,IN,MI,OH)	19	9	4	4
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>16</u>	<u>22</u>	<u>4</u>	<u>7</u>
Totals		116	112	25	23

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 762, 852 (1842).

The House voting patterns for the Permanent Tariff by political party again show a higher correlation by party than by geographical region. Table 9.15 shows that 94 of 95 Democrats voted against the bill, while 115 of 133 Whigs voted for it. Again, the few Whig defectors were largely confined to the Chesapeake and South regions.

**Table 9.15.** House Ratification Vote – The Permanent Tariff of 1842 by Region & Party

Region	States	Democrat Ayes	Democrat Nays	Whig Ayes	Whig Nays
New England	(CT,MA,ME,NH,RI,VT)	1	8	26	1
Atlantic	(DE,NJ, NY,PA)	0	32	37	1
Chesapeake	(MD,VA)	0	12	13	3
South	(GA,NC,SC)	0	15	4	9
Northwest	(IL,IN,MI,OH)	0	9	19	0
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>0</u>	<u>18</u>	<u>16</u>	<u>4</u>
Totals		1	94	115	18

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 762 (1842).

The Senate voting patterns on the Permanent Tariff also followed similar patterns to the Little Tariff. Table 9.16 illustrates that 25 of 27 Whigs voted in favor of the bill and all 21 Democrats voted against it. The only two Whig defections were confined to the Chesapeake and South.

**Table 9.16.** Senate Ratification Vote – The Permanent Tariff of 1842 by Region & Party

Region	States	Democrat Ayes	Democrat Nays	Whig Ayes	Whig Nays
New England	(CT,MA,ME,NH,RI,VT)	0	4	8	0
Atlantic	(DE,NJ, NY,PA)	0	3	5	0
Chesapeake	(MD,VA)	0	0	3	1
South	(GA,NC,SC)	0	3	1	1
Northwest	(IL,IN,MI,OH)	0	4	4	0
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>0</u>	<u>7</u>	<u>4</u>	<u>0</u>
Totals		0	21	25	2

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 852 (1842).

The fairly consistent voting patterns established during the Distribution, Tariff of 1841, Little Tariff, and Permanent Tariff broke down during the roll call vote on the Revised Permanent Tariff. The votes on the final legislative tariff act in 1842 coalesced along geographic lines, similar to most tariff votes during the 1820s and early 1830s. Table 9.17 shows that New England and the Atlantic region heavily supported the measure, while the Chesapeake and South strongly opposed it. The Western regions produced mixed results, with the Northwest almost evenly split and the Southwest against, but with an appreciable minority in favor of the bill.

**Table 9.17.** Ratification Vote of the Revised Permanent Tariff of 1842 by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT,MA,ME,NH,RI,VT)	26	7	9	2
Atlantic	(DE,NJ, NY,PA)	53	10	7	1
Chesapeake	(MD,VA)	6	20	0	3
South	(GA,NC,SC)	0	24	0	6
Northwest	(IL,IN,MI,OH)	14	12	4	3
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>6</u>	<u>30</u>	<u>4</u>	<u>8</u>
Totals		105	103	24	23

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 926, 960 (1842).

As geography became a more important variable in the Revised Permanent Tariff vote, party affiliation became less important. Table 9.18 shows that most Whigs favored the bill and most Democrats opposed it. However, substantial minority voting blocs in both parties strayed from the standard party position. Geography played an important role in the defections, as many Northern Democrats voted for the final bill and many Southern Whigs voted against it.

**Table 9.18.** House Ratification Vote – The Revised Permanent Tariff of 1842 by Region & Party

Region	States	Democrat Ayes	Democrat Nays	Whig Ayes	Whig Nays
New England	(CT,MA,ME,NH,RI,VT)	1	6	25	1
Atlantic	(DE,NJ, NY,PA)	19	7	34	3
Chesapeake	(MD,VA)	0	12	6	8
South	(GA,NC,SC)	0	13	0	11
Northwest	(IL,IN,MI,OH)	0	9	14	3
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>0</u>	<u>17</u>	<u>6</u>	<u>13</u>
Totals		20	64	85	39

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 926 (1842).

A similar pattern emerged in the Senate. Table 9.19 shows that some Northern Democrat and Southern Whig senators voted against party doctrine. The pattern correlated to geography, with most Whig defectors from the South and Democrat defectors from the North.



**Table 9.19.** Senate Ratification Vote – The Revised Permanent Tariff of 1842 by Region & Party

Region	States	Democrat Ayes	Democrat Nays	Whig Ayes	Whig Nays
New England	(CT,MA,ME,NH,RI,VT)	1	2	8	0
Atlantic	(DE,NJ, NY,PA)	3	0	4	1
Chesapeake	(MD,VA)	0	0	0	3
South	(GA,NC,SC)	0	3	0	3
Northwest	(IL,IN,MI,OH)	0	3	4	0
Southwest	(AL,AR,KY,LA,MO,MS,TN)	<u>0</u>	<u>7</u>	<u>4</u>	<u>1</u>
Totals		4	15	20	8

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 960 (1842).

The votes on the final version of the 1842 tariff bill represent an anomaly in comparison to the other roll calls during the 1841 and 1842 debates. Although the majority of Whigs and Democrats remained loyal to their parties' positions, 39 Whigs and 20 Democrats switched sides.

The significant shift in voting patterns on the final tariff bill vote begs explanation. Many congressmen appear to have used it as a referendum on the separate issues of distribution and President Tyler's use of the veto, creating a distortion. Several specific examples clearly demonstrate that this particular vote was an anomaly. For example, Martin Van Buren protégé Senator Silas Wright, a solid free trader on all previous roll calls, voted for the bill because of the Treasury's immediate needs.<sup>165</sup> John Quincy Adams, an ardent protectionist, voted against it as a protest against Tyler. Senators Willie Magnum of North Carolina and William Merrick of Maryland informed Clay that they supported protection, but switched their votes to "nay" in August because distribution had been dropped.<sup>166</sup>

As a result, party loyalty patterns broke down on the final tariff vote. A contributing factor was certainly the spiteful relationship developed by late 1842 between President Tyler and the

<sup>165</sup> Niven, *Martin Van Buren*, 503.

<sup>166</sup> Brock, *Parties and Political Conscience*, 104.

Whig congressional caucus, leading to Tyler's eviction from the party.<sup>167</sup> These circumstances created a variety of grounds for both Whigs and Democrats to potentially change from their traditional postures in the interest of political expediency. The most significant changes in position occurred in the industrialized states of New York and Pennsylvania, where many Democrats took an opportunity to appear pro-tariff, and somewhat less so in the states of North Carolina, Tennessee, Virginia, and Kentucky, where many Whigs took the opportunity to appear anti-tariff and/or anti-administration.

The Distribution, Tariff of 1841, Little Tariff and Permanent Tariff votes demonstrate that an important shift in the nature of American political economy occurred between 1832 and 1841. The entire United States were now embracing industrialization. Granted, different regions were industrializing at different growth rates, but each section had reached a point where significant portions of their citizenry considered themselves vested in the industrialization process. This is emphatically demonstrated by the presence of strong economic nationalist voting blocs in all regions. The final vote on the Revised Permanent Tariff, whose pattern is distinctly different than the other four bills, represents an isolated exception, and does not appropriately convey the political and economic reality that existed in 1842.

The creation of the Second Party System, and the respective Whig and Democrat Parties, provided Americans with clear choices regarding national economic policy. The fact that both Whigs and Democrats featured large constituencies throughout all of the nation's regions demonstrates the degree to which the ideological platforms of economic nationalism and free trade had permeated the United States. This came about because each region was experiencing meaningful growth in their respective manufacturing sectors.

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<sup>167</sup> Holt, *Rise and Fall of the Whig Party*, 149-150.

Historians have long misinterpreted the important events that occurred during the tariff debates in 1841 and 1842, usually as a consequence of only examining the roll call for the Revised Permanent Tariff. Charles Sydnor, author of *The Development of Southern Sectionalism*, grants only a single reference to the Tariff of 1842. He interpreted the bill's passage as proof of the "declining influence of Southern Whigs."<sup>168</sup> Edward Stanwood described the country's economic woes in 1842 as affecting "the industrial North, the agricultural West, and the planting South."<sup>169</sup> Douglas Irwin states that the Tariff of 1842 represents an instance where "The House passed the measure by a single vote, with overwhelming support from the North, complete opposition from the South, and a majority against in the West."<sup>170</sup> All of these authors suggest that sectionalism is the key variable to understanding the events of 1841 and 1842.

A detailed examination of the trade policy related bills during those two years reveals a far different story. The first three tariff bills considered during 1841 and 1842 demonstrate that, in contrast to increased sectionalism, the tariff issue had actually become nationalized, based on the competing ideologies of economic nationalism and free trade. The opposing ideological camps were, at this point in time, closely matched. The Little Tariff and Permanent Tariff bills, which constitute the best examples of diametric nationalist and free trade positions at play in the roll call vote, passed Congress by thin margins, each with a bare majority of 50.9% of the votes cast. Senate results were slightly better, as the Little Tariff passed with 55.8% of the total votes and the Permanent Tariff with 52.1% of the votes.

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<sup>168</sup> Charles S. Sydnor, *The Development of Southern Sectionalism, 1819-1848* (Baton Rouge: Louisiana State Press, 1968), 320-321.

<sup>169</sup> Stanwood, *American Tariff Controversies*, 2:19.

<sup>170</sup> Irwin, *Antebellum Tariff Politics*, 23.

The voting patterns in 1842 clearly demonstrate an important shift occurring in the American political and economic landscape. It is true that a majority of Northerners favored, and a majority of Southerners opposed, the tariff bills in 1842, as had been the case in the 1820s and 1830s. However, Northern free trade sentiment and Southern protectionist sentiment both markedly increased in 1842 compared with earlier roll calls. Table 9.20 shows the voting pattern on a North/South axis for the tariff votes in 1824, 1828, and two 1842 votes (the Little Tariff and the Permanent Tariff). These four votes present the best basis for comparison because all four involved efforts to raise tariff rates, creating scenarios where economic nationalists were most inclined to vote in favor of the pending legislation and where free traders would vote against.

**Table 9.20.** Tariff Voting Patterns: North and South, 1824 to 1842

Bill	Northern Ayes	Northern Nays	Southern Ayes	Southern Nays
<u>House:</u>				
Tariff of 1824	89 (73.6%)	32 (26.4%)	18 (20.5%)	70 (79.5%)
Tariff of 1828	89 (75.4%)	29 (24.6%)	16 (20.0%)	64 (80.0%)
Little Tariff of 1842	82 (62.1%)	50 (37.9%)	33 (39.3%)	51 (60.7%)
Permanent Tariff of 1842	83 (61.9%)	51 (38.1%)	33 (35.1%)	61 (64.9%)
<u>Senate:</u>				
Tariff of 1824	19 (76.0%)	6 (24.0%)	6 (28.6%)	15 (71.4%)
Tariff of 1828	20 (80.0%)	5 (20.0%)	6 (27.3%)	16 (72.7%)
Little Tariff of 1842	15 (60.0%)	10 (40.0%)	9 (50.0%)	9 (50.0%)
Permanent Tariff of 1842	17 (60.7%)	11 (39.3%)	8 (40.0%)	12 (60.0%)

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 637, 679, 762, 852 (1842).

In 1842, many House Northerners exhibited free trade sentiments while many Southerners exhibited protectionist sentiments. These minority blocs approached 40% of the votes from each region, significantly greater than had been the case in 1824 and 1828. The same pattern emerged in the Senate to a greater degree. Northern free trade sentiment virtually doubled compared to 1824 and 1828, approximating 40% of Northern senators, while 50% of Southern senators voted for the Little Tariff in 1842.

An in-depth review of the three primary tariff bills in 1841 and 1842 (Tariff of 1841, The Little Tariff, and the Permanent Tariff) provides strong evidence that party loyalty held a much stronger sway than region. Fully 90% of House members voted strictly alongside with their party position on all of the votes that they participated in. A small group of 4% exhibited “mixed” voting patterns, leaving only 6% of members willing to defy their party’s position. In raw numbers, these dissenters comprised a mere fifteen House members. Eight of them were Georgia Whigs, who defected en masse to oppose the tariff.

The party loyalty pattern on the three primary tariff bills was even stronger in the Senate. Not a single Senator consistently opposed their respective party positions. Only three exhibited a “mixed” voting pattern. By the end of the voting on the three primary tariff bills, 95% of senators had voted consistently with the party position on every one of the votes.

The degree of party loyalty on the related distribution issue was also strong. In the House, 93% of the votes cast conformed to party ideology. In the Senate, 82% of Senators supported their party’s position. The strong correlation between the tariff and distribution voting patterns is not surprising, as Henry Clay tried to marry the two issues together in 1841 and 1842. It also confirms the power of party during the Second Party System period, as nationalist Whigs supported both elements of the American System while egalitarian Democrats opposed them.

Joel Silbey’s *The Shrine of Party* closely examines congressional voting patterns during the period 1841 through 1852. His study includes the voting patterns of the 27<sup>th</sup> Congress by party and of the 27<sup>th</sup> and 28<sup>th</sup> Congresses by region and it validates that tariffs were primarily a matter of party economic principles rather than sectional self-interest. He devised quantitative measures to measure loyalty patterns by both party and sectional behavior as follows:

**Table 9.21.** The Tariff/Distribution Issue – Party & Sectional Voting Patterns

Party/Region and Voting Disposition	Tariff	Distribution
<u>By Party:</u>		
Senate Whigs highly pro	80%	96%
House Whigs highly pro	70%	88%
Senate Democrats highly anti	90%	86%
House Democrats highly anti	95%	98%
<u>By Section:</u>		
Northern senators highly pro	72%	65%
Northern representatives highly pro	51%	59%
Northwestern senators highly pro	50%	57%
Northwestern representatives highly pro	57%	62%
Southern senators highly anti	46%	52%
Southern representatives highly anti	60%	59%

Source: Silbey, *Shrine of Party*, 54-55, 62--66.

Silbey concluded that “parties were united ... sections were split.”<sup>171</sup> Thomas Alexander, in another statistical analysis of the 27<sup>th</sup> Congress, corroborates Silbey’s conclusions, stating “party antagonism dominated the divisions” on economic issues.<sup>172</sup> Henry Clay contemporaneously noted these patterns, observing in 1843 the presence of strong Southern Whig support for protection.<sup>173</sup>

In addition to party, a statistical analysis of the voting patterns clearly demonstrates that industrialization influenced the voting patterns as well. Appendix QQ summarizes findings of a logistic regression analysis of the 1841 and 1842 votes against a series of economic compiled from the 1840 census. Its findings include the following:

<sup>171</sup> Silbey, *Shrine of Party*, 65.

<sup>172</sup> Alexander, *Sectional Stress and Party Strength*, 44.

<sup>173</sup> Brock, *Parties and Political Conscience*, 234.

**Table 9.22.** Logistic Regression Analysis Findings

Variable	Statistical Significance
Slave/free state	No
Slave population	No
Agricultural population	No
Capital per capita	Yes

Source: Appendix QQ.

Not only did this analysis show that invested manufacturing capital per capita was a significant variable factor in the congressional voting, it also demonstrated that the variables of slave versus free state, slave population, and agricultural labor force were not significant. Those states or congressional districts where industrial investment was occurring were more likely to vote in favor of the protectionist legislation that the Whigs offered in 1841 and 1842.<sup>174</sup>

Several state delegations exhibited strong voting patterns either for, or against, the tariff in 1841 and 1842. The New England states of Massachusetts, Rhode Island, Connecticut, and Vermont overwhelmingly favored economic nationalism. They were joined by New Jersey, Delaware, Indiana and Michigan. In contrast, the states of Missouri, Arkansas, Mississippi, Alabama and South Carolina were overwhelmingly anti-protectionist. They were joined by Democrats in the New Hampshire delegation.

However, many states in both the North and South exhibited mixed tendencies on the tariff issue. In the North, the list included the evenly split states of New York, Pennsylvania, Maine, and Illinois, as well as a slight protectionist majority in Ohio. In the South, the Tennessee and North Carolina delegations were split, while protectionists possessed majorities in the Kentucky, Louisiana and Maryland delegations and sizable minorities in both Virginia and Georgia.

The fourteen states that can be categorized as strongly in either the nationalist or liberal camps possessed 64 House seats. In comparison, the twelve remaining “battleground” states

<sup>174</sup> See Appendix QQ for a detailed summary of the logistic regression analysis.

possessed 178 House seats. This suggests that by the 1840s the tariff issue was sharply contested in many states as well as at the federal level, again contradicting impressions that the tariff was strictly a sectional issue.

Even states that appeared to be solidly “pro” or “anti” tariff at the national level were prone to significant internal quarreling over trade policy. An example was the case of Mississippi in 1842, where the Whig party was both active and successful. That year, the state legislature narrowly rejected a motion to revoke instructions to the state’s two senators to vote against the tariff by a vote of 45 to 39, a demonstration of strong state-level protectionist sentiment.<sup>175</sup>

The Tariff of 1842 represented the final instance during the antebellum period where tariff rates increased. The scheduled Compromise Tariff reduction to a 20% rate was superseded, and an average rate of 32% was established in its place.<sup>176</sup> Actual tariff rates between 1843 and 1846 averaged 27%, an increase from rates charged between 1834 and 1842, which had averaged just 19% of the total value of imports.<sup>177</sup> Although their victory was less complete than they had hoped, Whigs substantially raised tariff rates and retained the discriminatory principle.

Democrats considered the Tariff of 1842 a significant political setback. In the 1844 election, their presidential candidate, James K. Polk, incorporated the tariff as a major campaign issue. His successful election set the stage for another major trade policy initiative, attempting to reintroduce the principles embodied in the Compromise Tariff of 1833. That confrontation would occur in 1846.

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<sup>175</sup> James E. Winston, “The Mississippi Whigs and the Tariff, 1834-1844,” *The Mississippi Valley Historical Review* Volume 22, No. 4 (Mar, 1936): 510-512.

<sup>176</sup> Pincus, *Pressure Groups and Politics*, 9.

<sup>177</sup> Carter et al., eds., *Historical Statistics*, 5:510.



## Reconciling John Calhoun

The traditional interpretation of the tariff as a sectional issue has been largely influenced by John Calhoun's intellectual marriage of the economic issue of the Tariff of Abominations with the political issue of state rights doctrine. Calhoun's pen and intellect were powerful weapons. Historian Lacy Ford pointed out that Calhoun opposed Whig economic development programs "on both 'Country' republican and Smithian liberal grounds, sometimes combining these potentially contradictory sets of ideas with stunning effect."<sup>178</sup>

Many historians have claimed that the tariff was Calhoun's major concern during the Nullification Crisis, creating a source for regional antagonisms that eventually led to the Civil War. Charles and Mary Beard asserted, in *The Rise of American Civilization*, that economic tensions, primarily due to the tariff, represented a primary cause of the Civil War. They agreed with Jefferson Davis' insistence that the North sought "by an unjust system of legislation, to promote the industry of the New England states, at the expense of the people of the South." The Beards believed that Southerners foresaw "an economic policy that meant the exploitation of the South for the benefit of northern capitalism."<sup>179</sup>

During the crisis of 1832-33, Calhoun assumed a prominent leadership role amongst the Nullifiers. Many historians have unconditionally accepted his argument that the twin issues of the tariff and nullification were inseparable. Southern fire-eaters perpetuated this view during the 1850s. They argued that northern industrialization and free labor represented a political threat to the South. However, a close review of Calhoun's actions and views demonstrate that he used the tariff as a pretext to wage political war using nullification and state rights doctrine to further his true strategic goal, which was the defense of slavery.

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<sup>178</sup> Lacy K. Ford, Jr., "Republican Ideology in a Slave Society: The Political Economy of John C. Calhoun," *The Journal of Southern History* Volume 54, No. 3 (Aug, 1988): 414-415.

<sup>179</sup> Beard and Beard, *Rise of American Civilization*, 2:6.

On the surface, Calhoun seemed to be firmly aligned with the free trade movement. For example, he warned a Democratic-Republican Club in New York shortly after the 1840 election, inquiring “which shall prevail, the school of Jefferson or Hamilton? ... turn back to the Hamilton policy ... [and] restore the misnamed American System, with all its corrupting and dangerous consequences?”<sup>180</sup> The 1840 Whig victory motivated a fearful South Carolina legislature to pass a resolution immediately after the election declaring that any protective features in tariffs were unconstitutional.<sup>181</sup> These historical fragments give the misimpression that the tariff and nullification were solely matters over political economy.

Calhoun had an opportunity to become a standard bearer for free trade during the Nullification Crisis in 1832. Instead, he set forth on a separate political agenda focusing upon state rights issues to the exclusion of political economy. As the Nullification Crisis escalated in 1831, Calhoun issued his “Fort Hill Address,” where he transformed the tariff issue from one regarding the merits of trade policy to one of protecting minority political rights. Although he initially addressed the tariff, stating that “every duty imposed for the purpose of protection is not only unequal, but also unconstitutional,” Calhoun immediately shifted his emphasis from the tariff to his real goal of endorsing the political doctrine of nullification.<sup>182</sup> He continued: “The Tariff itself is a strong case in point ... where Congress perverts a power from an object intended, to one not intended, the most insidious and dangerous of all infractions.” He declared the remedy to be “the reserved sovereignty of the States as the only refuge.”<sup>183</sup>

The South Carolinian’s fervent endorsement of nullification overshadowed his economic views from 1833 onward, and he contributed little to the tariff question over his remaining

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<sup>180</sup> Ford, Jr., “Republican Ideology in a Slave Society,” 405.

<sup>181</sup> John G. Van Deusen, *Economic Bases of Disunion in South Carolina* (New York: Columbia University Press, 1928), 62.

<sup>182</sup> Calhoun, *Selected Writings*, 337.

<sup>183</sup> *Ibid.*, 325, 331.

career. Rather disingenuously, Calhoun mustered an effort to gain the presidency in the 1832 election, and in the process sought political favor from other regions by advocating western internal improvements through federal land sales and selective tariff protection for northeastern interests to pursue personal political gain.<sup>184</sup> By the end of his career he characterized the tariff solely in sectional terms, stating in his famous speech during the 1850 compromise debates that “a far greater portion of the [tariff] revenue has been disbursed at the North ... intended to put money ... into the pocket of the manufacturers.”<sup>185</sup>

Calhoun’s commitment to the nullification camp and its radical state rights position joined him to fellow South Carolinians George McDuffie, James Hamilton, Jr., and Robert Barnwell Rhett. However, many of the state’s equally prominent Unionists such as William Smith, Daniel Huger, James Petigru, and Henry DeSaussure also opposed the tariff, but solely on classical liberal grounds.<sup>186</sup> Historian Joseph Persky aptly describes the motivations behind Calhoun’s rising Southern sectionalism, which realized that “manufacturing and urban areas could provide additional markets to agriculture, but feared “that such a policy ... could not be kept under agrarian control.”<sup>187</sup> Calhoun’s pro-agrarian, anti-industrial stance ultimately proved to be incompatible with orthodox classical liberalism, and his remaining political career had everything to do with state rights and little to do with political economy. Political scientist James H. Read provides some insight to Calhoun’s motives by noting that he “was worried above all that tariff revenues would be spent for anti-slavery purposes.”<sup>188</sup>

Other prominent Southern intellectuals furthered Calhoun’s arguments, using the economic issue as a proxy for arguing about the true substantive issue, which was slavery. A decade after

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<sup>184</sup> Ellis, *The Union at Risk*, 66.

<sup>185</sup> Calhoun, *Selected Writings*, 690.

<sup>186</sup> Van Deusen, *Economic Bases of Disunion*, 46-47.

<sup>187</sup> Persky, *Burden of Dependency*, 54.

<sup>188</sup> Read, *Majority Rule versus Consensus*, 74.

the Tariff of 1842, prominent Southern intellectual George Fitzhugh lambasted free trade ideology, remarking that “for writing a one-sided philosophy, no man was better fitted than Adam Smith. He possessed extraordinary powers of abstraction, analysis and generalization ... every man for himself and the Devil take the hindmost.”<sup>189</sup> Fitzhugh criticized laissez-faire, not because of its relationship to ideal republican economic policy, but rather due to the threat it posed to the standing Southern social and cultural order. He feared that under a system of free trade “the disparities of shrewdness, of skill and business capacity, between nations and individuals, would, in the commercial and trading war of the wits, rob the weak and simple, and enrich the strong and cunning ... political economy and all other systems of moral science which we derive from Europe are tainted with abolition, and at war with our institutions.”<sup>190</sup> Historian C. Vann Woodward comments that Fitzhugh “preferred inequality to equality, aristocracy to democracy, and almost anything – including slavery and socialism – to laissez faire capitalism.”<sup>191</sup>

Calhoun, Fitzhugh, and the fire-eaters were obsessed with any economic threat to slavery. As historian Louis Hartz notes, “When we penetrate beneath the feudal and reactionary surface of Southern thought, we do not find feudalism: we find slavery.”<sup>192</sup> Eugene Genovese summarized the common thread of these theorists, noting that “so long as the South functioned as part of the world capitalist system, it could never wholly establish its moral and intellectual independence ... the struggle was irreconcilable ... the world-wide system of economic interdependence must

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<sup>189</sup> Harvey Wish, *George Fitzhugh, Conservative of the Old South* (Charlottesville, Virginia: Green Bookman, Inc., 1938), 19.

<sup>190</sup> George Fitzhugh, *Cannibals All!, or Slaves without Masters* (Cambridge, Massachusetts: The Belknap Press of Harvard University Press, 1988), 57-58.

<sup>191</sup> *Ibid.*, ix.

<sup>192</sup> Hartz, *Liberal Tradition*, 147.

be crushed; capitalism, in short, must everywhere be uprooted.”<sup>193</sup> He also notes that “Fitzhugh cannot be understood unless the words “free trade” are read as they were meant to be read: as “capitalism,” defined to mean the private ownership of the means of production and the freedom of the laborer to sell his labor power.”<sup>194</sup> Although southern ideologues such as Calhoun and Fitzhugh tried to cast sectional differences in terms of economic theory, this approach intentionally veiled the true issue, which was a defense of slavery.

Southern “fire-eaters” perpetuated Calhoun’s rhetoric during the years leading up to the Civil War. By 1844 Louis Wigfall openly extolled secession, and cited the tariff as a major reason for doing so.<sup>195</sup> Robert Barnwell Rhett persuaded fellow delegates at the 1861 Montgomery Convention to include a ban on protective tariffs as one of the few alterations to the original Constitution of 1787.<sup>196</sup>

The historical attention granted to the views of Calhoun, Fitzhugh and the fire-eater secessionists from the early 1830s through the 1850s is unfortunate, because their rhetoric is disconnected from the seismic event taking place during their watch, which was the nationalizing of American industrialization from the latter 1830s onward. The tariff bills and votes during 1841 and 1842 demonstrate a South in the midst of significant economic change. While most Southerners retained solidarity on the slavery issue, increasingly, Calhoun, Fitzhugh, and their sympathizers were being marginalized in the South in regards to their economic views. Calhoun was a decided sectionalist by 1842. His views and actions from 1832 to his death did not

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<sup>193</sup> Eugene Gevovese, *The World the Slaveholders Made* (Middleton, Connecticut: Wesleyan University Press, 1988), 158.

<sup>194</sup> *Ibid.*, 165.

<sup>195</sup> Alvy L. King, *Louis T. Wigfall, Southern Fire-eater* (Baton Rouge: Louisiana State University Press, 1970), 39-41.

<sup>196</sup> Eric H. Walther, *The Fire-Eaters* (Baton Rouge: Louisiana State University Press, 1992), 155-156.

represent those of the South as a whole, and any interpretation that his views as a regional proxy falsely create the impression that the tariff issue was sectional in nature.

Calhoun's own words best sum up the true source of regional tensions during the antebellum era. In 1830, on the eve of the Nullification Crisis, he wrote a letter to a friend stating that "I consider the Tariff act as the occasion, rather than the real cause of the present unhappy state of things. The truth can no longer be disguised, that the peculiar domestick institution of the Southern States ... has placed them ... in opposite relation to the majority of the Union, against the danger of which ... they must in the end be forced to rebel, or submit to have their permanent interests sacrificed."<sup>197</sup> These thoughts eventually inspired the *Camp Hill Address* and the *South Carolina Exposition*.

## Conclusions

The tariff episodes in 1841 and 1842 are a crucial episode in the evolution of antebellum trade policy. American industrialization spread beyond the Northeast, including the South, creating economic special interest groups throughout the country who promoted protection at the national level. At the same time, the Whig and Democratic parties developed mutually exclusive economic platforms regarding trade policy. The new round of trade policy battles between the protectionists and liberals were national in character, correlating to political party affiliation instead of geographic region.

Economic interests greatly influenced trade policy. By the early 1840s, Whigs and Democrats were well represented in both the North and South because the country's regions had developed many common economic attributes. Each was predominantly agricultural, but all of them also possessed now possessed discernible manufacturing components.

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<sup>197</sup> Read, *Majority Rule*, 74.

The South actively participated in the industrialization process. Historian Joseph Persky perceptibly notes that “At the close of the War of 1812, the post-revolutionary generation of Southern leaders hardly seemed ready to retreat into idiosyncratic regional agrarianism.”<sup>198</sup> In fact, by 1842, many Southerners were committed to growing manufacturing within the region. They did so, however, with divided beliefs on proper policy. Some suggested political economy based on classical liberalism, where manufacturing and agriculture could flourish free of favoritism and interest. Others took a nationalist view, believing that protection was a necessary prerequisite for any attempt to successfully grow the nation’s manufacturing sector.

The fact that Southern industry grew significantly in the 1840s and the 1850s suggests that certain stereotypical notions about Southern antebellum society should be reconsidered. Historian Eugene Genovese frequently cited antebellum sectionalists such as Calhoun, Fitzhugh and other fire-eaters, who maintained that a slave owning society was incompatible with industrialization. Genovese stated that the South, “with its masters and slaves ... stood for progress and modernity without the terrible evils that plagued bourgeois societies.”<sup>199</sup> He suggested that “However much the slaveholders might have wished to transform their slaves into clock-punchers, they could not, for in a variety of senses both literal and metaphoric ... planters of the United States ... hardly lived in a factory world themselves and at best could only preach what the most docile or stupid slave knew very well they did not and could not practice.”<sup>200</sup> The reality of Southern industrialization, and its use of slave labor, suggests that, contrary to Genovese’s conclusions, that slaves were an integral factor of production within a capitalist economic framework.

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<sup>198</sup> Persky, *Burden of Dependency*. 50.

<sup>199</sup> Eugene D. Genovese, *The Slaveholders’ Dilemma: Freedom and Progress in Southern Conservative Thought, 1820-1860* (Columbia: University of South Carolina Press, 1992), 7.

<sup>200</sup> Eugene D. Gevovese, *Roll, Jordon, Roll: The World the Slaves Made* (New York: Vintage Books, 1976), 291-292.

The 1841 and 1842 tariff debates featured competing ideological views and competing economic interest groups, both tightly demarcated by party. Thus, the 1841 to 1842 episode sharply differs from preceding debates between 1824 and 1833. The key variable that explains this changed nature of the trade policy debate was American industrialization.

The beginnings of American mass manufacturing only began in earnest in the late 1810s and early 1820s with establishments in Waltham and Lowell. Soon, manufacturing establishments sprouted up throughout most of the New England states. The earliest concentrations of American industrialization were confined to the New England and Atlantic states, but these regions did not possess monopolistic characteristics regarding industrialization. Other regions possessed the water, labor, and financial resources necessary for successful manufacturing. These variables coalesced first in New England and along the northern Atlantic seaboard, but the South began to do so as well in the 1830s and 1840s.

The above developments, when assessed against the framework of Rostow's and Gerschenkron's works, create grounds for proposing that American trade policy between the Founding and the Civil War was, with the exception of the 1824 to 1833 episode, more influenced by the First Industrial Revolution, rather than by slavery or culture. By the 1840s the South possessed an active and thriving Whig Party, a rapidly growing manufactures sector, and possessed satisfactory evidence that slave labor could be adapted to industrialized activities. These facts combine to suggest that the South was actively in the midst of transitioning from a "precondition" to a "take-off" stage by the time of the 1841 and 1842 tariffs.<sup>201</sup>

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<sup>201</sup> John B. Parr, "On the Regional Dimensions of Rostow's Theory of Growth," Oxford, United Kingdom: The Applied Regional Science Conference (ARSC)/Blackwell Publishers Ltd. 2001. Rostow incidentally concluded in *Stages of Economic Growth* that takeoff in the American South did not occur until near the middle of the twentieth century. The evidence available since the time of the book, including this study, provides a strong case for concluding that Southern takeoff occurred before the Civil War. In a separate study, John B. Parr notes that "in the case of the South this starting date [by Rostow] for take-off seems surprisingly late, although it may have been accurate for certain parts of the region."



The American South was capable of achieving Gerschenkron's "catch up" process and, by 1840, was showing signs of doing so. New England technologies were being introduced to the region and local political interests were agitating for pro-industrialization policies. The necessary financial capital, provided in the earlier New England case by merchants and a national bank, was available through Southern planters and a maturing national banking sector.

When the South embraced the early stages of industrialization in the late 1830s and the 1840s, the core issues of political economy regained ascendancy in the trade policy debate, while the impact of the slavery issue waned. The newly developed Southern manufacturing interests, however, did not create brand new arguments for governmental assistance to their economic sector. Instead, they adopted ideological positions that had already been in place for decades.

In the end, the period from 1824 to 1833 was aberration in the American trade policy saga. The introduction of industrialization in the American Northeast in the 1820s created sectionalist division on trade policy. The spread of industrialization to the rest of the nation in the 1830s and 1840s closed the division. The Tariff of 1842 marked where the trade policy debate resumed its national character.

## CHAPTER 10 – FREE TRADE TRIUMPHANT: THE TARIFFS OF 1846 AND 1857

*“by levying a tariff of duties for the support of government, the raising of revenue should be the object, and protection the incident. To reverse this principle and make protection the object, and revenue the incident, would be to inflict manifest injustice upon all other than the protected interests.”<sup>1</sup>*

- President James Polk (March 4, 1845 Inaugural Address)

*“The moment the American rises to his feet, in this struggle with foreigners for the American market, he is to be knocked down by the executive poker, and walked over by his Secretary Walker. [a laugh] ... and would the House endorse a system like this? ... take off the duty, and the British workshops would be brought to our door.”<sup>2</sup>*

- Representative Andrew Stewart of Pennsylvania (December 9, 1845 remarks to the House)

*“This policy of imposing taxes, not with a single eye to revenue, but with the express design to shut out competition and raise prices ... You speak of it as patriotic; you still call it American; do you hope to continue, to perpetuate, to ingraft it on our republican system? ... privilege always dies hard.”<sup>3</sup>*

- Representative Robert Owen of Indiana (June 19, 1846 remarks to the House)

Henry Clay and fellow economic nationalists concluded that the Tariff of 1842 marked a reaffirmation of the American System. Although distribution was rejected, the Compromise Tariff of 1833 had been effectively abrogated. Tariff rates were not rolled back to the levels promised by the compromise and the discriminatory principle remained in place rather than an *ad valorem* structure. The only Whig disappointment was the cruel twist of fate resulting from the death of William Henry Harrison. The final bill achieved many important Whig goals, but the legislative victory was incomplete due to vetoes by John Tyler.

Clay and the Whigs were encouraged that the tariff discourse, and roll call voting in 1841 and 1842, suggested that the American System enjoyed broad national support. President Tyler had been kicked out of the Whig Party, and was now politically isolated. Whigs optimistically looked forward to the 1844 election, when they could regain the executive branch and complete the full re-establishment of the American System, including high, discriminatory tariffs.

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<sup>1</sup> Hunt, ed., *Inaugural Addresses*, 147.

<sup>2</sup> Cong. Globe, 29<sup>th</sup> Cong., 1st Sess., 35 (1845).

<sup>3</sup> *Ibid.*, 1004-1005 (1846).

Unfortunately for Clay and economic nationalists, two significant events would change their political fortunes. The first was the election of 1844, where dark horse Democratic candidate James Polk, a former Speaker of the House, won the presidency in a race against Whig candidate Clay. The second occurred in 1846, when Great Britain repealed its Corn Laws, an act that transformed the world's leading economic power from a protectionist trade policy to one that endorsing free trade principles.

The Polk presidency, rather than the witnessing the triumph of the American System and protectionism, marked just the opposite, the beginning of an American commitment to free trade principles and a low tariff that would last until the Civil War. The first step was the passage of the Walker Tariff in 1846, named after Polk's Secretary of the Treasury, Robert J. Walker. This tariff would become national trade policy for the next eleven years, marking the longest time frame that a single tariff remained in place since the time of the Jefferson presidency. The Walker Tariff was eventually replaced by the Tariff of 1857, which lowered rates even further.

The 1844 election was Henry Clay's closest, and last, of his three tries to gain the presidency. Clay narrowly lost the popular vote by a tally of 1.34 million to 1.30 million. The electoral vote was more decisive, as Polk gathered 170 votes to Clay's 105. Another telling development against the fortunes of the American System was the fact that the Democrats also gained control of both houses of Congress.<sup>4</sup>

Polk's campaign pledges were few: to annex Texas, serve a single term only, and lower the tariff. To his credit, he is one of the few American presidents who could rightly claim that he achieved all of his key campaign promises. The 1844 Democrat Party platform criticized all aspects of the American System, and it vigorously attacked Whig trade policy. Democrats declared "That justice and sound policy forbid the Federal Government to foster one branch of

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<sup>4</sup> Preimesberger, ed., *Presidential Elections*, 37, 91.

industry to the detriment of another, or to cherish the interests of one portion to the injury of another portion of our common country.”<sup>5</sup> This stance represented the consistent application of classical liberal ideals, where the American tariff should be set as low as possible and applied on an *ad valorem* basis.

The new president affirmed his party’s position in his inaugural address of March 4, 1845. Polk asserted that “by levying a tariff of duties for the support of government, the raising of *revenue* should be the *object*, and *protection* the *incident*. To reverse this principle and make *protection* the object, and *revenue* the *incident*, would be to inflict manifest injustice upon all other than the protected interests.”<sup>6</sup> There could be little doubt that one of the principal goals of the Polk administration would be to replace the Tariff of 1842, and replace it with a bill featuring lower tariffs rates and with less emphasis on protection.

The United States experienced significant economic growth from the beginning of Polk’s presidency in 1845 up to the Civil War.<sup>7</sup> The tariff issue receded in prominence, in part due to the favorable state of the economy, but more importantly because the issue of slavery dominated American politics after the Mexican-American War. Although trade policy captured fewer front page headlines during this period, the 1846 and 1857 tariff debates still featured vigorous arguments on behalf of both the economic nationalist and free trade positions. These arguments were well aligned with the ones that had characterized many previous trade policy confrontations. Even as the Compromise of 1850, Kansas-Nebraska and Dred Scott pulled the

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<sup>5</sup> American Presidency Project: 1844 Democrat Party Platform <http://www.bing.com/search?q=james+Polk+campaigh+pledges&go=&qsn=&sk=&form=QBRE>.

<sup>6</sup> Hunt, ed., *Inaugural Addresses*, 147.

<sup>7</sup> Carter, et al., eds., *Historical Statistics*, 3:23-24. During the sixteen years from Polk’s election to the Civil War, the overall American economy, as measured by real gross domestic product, expanded 4.74% overall and 1.53% per capita per annum. This compares favorably to the sixteen year preceding period from 1828 to 1844, where overall growth was 3.94% and per capita growth 1.03%

nation towards Civil War, trade policy remained a very prominent and important issue, a consequence of ongoing clashes of ideas and economic interests.

The second blow to Whig hopes occurred two years later, when Great Britain struck down its Corn Laws. The British repeal directly impacted the tenor of the 1846 American tariff debate. One of the arguments most forcefully made by nationalists since the War of 1812 had been that Great Britain represented the benchmark in trade policy that the United States should ensure itself by. The sudden and surprising shift in British trade policy provided free traders with a new and very effective weapon to use that undermined the protectionist position.

### **British Corn Laws and the Walker Tariff of 1846**

On May 15, 1846, after almost four months of debate, the British Parliament repealed the Corn Laws that had been in place since the Napoleonic Wars, marking a dramatic shift in British trade policy from a protectionist stance to free trade. The most startling aspect of this development was that its champion was Prime Minister Sir Robert Peel. Peel led the Conservative Party, who had staunchly supported protectionism throughout its history, and his surprising advocacy for repeal of the Corn Laws came with a political price, as he was forced to resign his post only one month later.<sup>8</sup> Peel may have been personally motivated by a general shift towards free trade ideology within British society.<sup>9</sup> Great Britain's protectionist policies had been constructed to protect agriculture more so than manufactures, where she possessed economic comparative advantage, an opposite situation from what the United States faced. The

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<sup>8</sup> As late as 1839, Peel had delivered a powerful speech in Parliament defending the Corn Laws, see Douglas A. Irwin, "Political Economy and Peel's Repeal of the Corn Laws," *Economics and Politics* Volume 1, No. 1 (Spring, 1989): 44-45.

<sup>9</sup> Cheryl Schonhardt-Bailey, *From the Corn Laws to Free Trade: Interests, Ideas, and Institutions in Historical Perspective* (Cambridge, Massachusetts: The MIT Press, 2006), 14, 19-20, 338.

effect of the Corn Laws was to benefit British landowners to the detriment of consumers, who were forced to pay higher food prices.<sup>10</sup>

From the founding of the American republic in 1789, the American discourse on trade policy had always been heavily influenced by Great Britain's policies. American lawmakers looked at British policy as an example for the United States to either embrace or reject certain trade policy options. The tariff debates from 1789 through 1842 are full of examples where American legislators, particularly nationalists, referred to the British example of protection as a model for the United States to follow. The sudden change in British trade policy in 1846 was carefully noted in the United States, and American free traders saw the opportunity to use it as a powerful political weapon to bolster their argument for the United States to adopt a free trade policy as well.

In late 1845, Secretary of Treasury Robert Walker drafted a report calling for a lower tariff based solely on *ad valorem* duties, and congressional Democrats reported a bill that, consistent with Walker's recommendations, fulfilled the campaign pledges made by President Polk and the party platform. The proposal represented a radical change in American trade policy, as specific duties had always been a mainstay element of the tariff schedule since 1789. The resulting bill, however, did not propose a single *ad valorem* rate on imports. Rather, it divided imports into a series of classes, each with its own tariff rate. These *ad valorem* tranches were set at 75% (on

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<sup>10</sup> The British experience with repeal of the Corn Laws shared some attributes with the American episode both in terms of interests and ideas. Charles Kindleberger referring to ideas, noted that "British political economists of the 1830s and 1840s, who won over Tories like Sir Robert Peel and Lord Russell and ended up in 1846 with many landlords agreeable to repeal of the Corn Laws, represented and ideology," see C. P. Kindleberger, "The Rise of Free Trade in Western Europe, 1820-1875," *The Journal of Economic History* Volume 35, No. 1 (Mar, 1975): 31; At the same time economic interests played a role as well. Kindleberger notes that "The political economists in the Board of Trade – Bowring, Jacob, MacGregor – sought free trade as a means of slowing down the development of manufacturing on the Continent," *Ibid.*, 33; In a similar vein, T. J. McKeown, who performed a regression analysis of the Corn Law votes, reported that the "model also performs reasonably well as a predictor of party identification," an attribute that mirrors the Second Party System in the United States, see T. J. McKeown, "The Politics of Corn Law repeal and Theories of Commercial Policy," *British Journal of Political Science* Volume 19, No. 3 (Jul, 1989): 376.

certain spirits), 30%, 25%, 20%, 15% and 10%.<sup>11</sup> In addition, a great number of goods were allowed to be imported free of duty. This proposal amounted as close to an absolute free trade structure as was possible in the world of nineteenth century international trade.

Walker's report was clearly built upon notions that the costs of the federal government should be funded by a tariff policy premised on free trade principles, with projected tariff revenues only set to a level adequate to meet expenses. Further, he endorsed the idea that trade policy should not favor any economic sector in favor of another. The report stated that "A tariff is a bill to 'lay and collect taxes.' It is a bill for raising revenue; and whenever it departs from that object, in whole or in part, either by total or partial prohibition, it violates the purpose of the granted power."<sup>12</sup> This posture presented ideas that hearkened back to the same "old republican" principles that had guided Thomas Paine, John Randolph, and Nathaniel Macon a generation before when they had advocated free trade.

The House began consideration of the proposed new tariff in December 1845, and aghast economic nationalists immediately argued that the policy would spell certain ruin for the American economy. Representative Andrew Stewart of Pennsylvania, who had been quite vocal on behalf of protectionism during the 1832-33 debates, was adamant in warning his colleagues that the Walker Bill was, in his opinion, sheer folly. Stewart maintained that protection had allowed the United States to become economically competitive with other nations, and that abandonment of the policy would undo all that had been accomplished. He wittily commented that "The moment the American rises to his feet, in this struggle with foreigners for the American market, he is to be knocked down by the executive *poker*, and *walked over* by his Secretary Walker. [a laugh] ... and would the House endorse a system like this? ... take off the

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<sup>11</sup> Cong. Globe, 29<sup>th</sup> Cong., 1st Sess., 670-671 (1846).

<sup>12</sup> *Ibid.*, 33 (1845).

duty, and the British workshops would be brought to our door.”<sup>13</sup> Bryan Young of Kentucky added that, should the Tariff of 1842 be repealed, “we should then be virtual colonies to Great Britain.”<sup>14</sup>

Protectionists reminded their colleagues that previous nationalist-oriented tariffs carried an implied promise of continued economic governmental assistance, and that abandonment of protection represented a promise broken. James Thompson of Pennsylvania concluded that a shift to a free trade tariff posture would “change the industry of the people, driving them from employments undertaken upon the faith of your legislation, by admitting a free and almost unrestricted competition from abroad.” Thompson predicted a dire future, because the new trade policy “will retard that great national prosperity now everywhere so conspicuous, by not only greatly impairing the success of enterprises already undertaken, but by preventing the discovery of new fields in which to employ the ingenuity and skill of our people.”<sup>15</sup>

Nationalists also attempted to establish a causal relationship between the Tariff of 1842 and the nation’s recovery from the Panic of 1837. Abraham McIlvaine of Pennsylvania argued that protectionism had recently saved the country from dire circumstances. He asked “Who could forget the scenes of 1840, 1841, and 1842; when the cry for employment was heard throughout the country, when all business was at a stand, and all classes of the community felt a general paralysis? The effect of the Tariff of 1842 restored universal prosperity, as if by a stroke of a magician’s wand. That prosperity still continued. Why, then, repeal the law which has wrought such happy effects.”<sup>16</sup>

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<sup>13</sup> Ibid., 35

<sup>14</sup> Ibid., 1002 (1846).

<sup>15</sup> Ibid., 1044-1045.

<sup>16</sup> Ibid., 994.



Despite their vigorous arguments, Whigs realized that Democrats, with majorities in both chambers, could force the bill through just as the Whigs had in 1842. Representative Jacob Collamer of Vermont held out hope that the Democracy's policies would be proven wrong. Collamer declared that "after their scheme had had a fair trial, if it did not succeed, let them have the candor to say so, and give it up."<sup>17</sup>

House free traders were equally adamant in asserting that the time had come for the United States to embrace a laissez-faire trade policy. Seaborn Jones of Georgia intimated that the 1844 election had provided the Democrats with a mandate to adjust American trade policy. He called for the House to "redeem the pledges of reducing the tariff of 1842 to a revenue standard, so that more revenue – the greatest amount of revenue – may be raised from it. The tariff that we propose to establish should not be a tariff for protection."<sup>18</sup> Representative Andrew Johnson of Tennessee asked "Did not our "home industry" include the labor of the farmer; or was it exclusively the labor of the manufacturer? Ought not Government to look to the happiness of those who were the bone and sinew of the country? Protection has been exclusive quite long enough."<sup>19</sup>

The American debate was clearly influenced by the concurrent British initiative to repeal the Corn Laws. By June 1846, the events in Parliament were already well known in the United States, and Seaborn Jones commented that "the example of Sir Robert Peel in the modification of the corn-laws ought to speak in language stronger than any argument I can use. We copied this system of protection from England; England has found it ruinous to her people of every class; she in her wisdom has abandoned it; and are we in our folly still to cling to it?" Jones noted that "Sir Robert Peel was formerly a tory; he was brought to power by the tory interest – by the

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<sup>17</sup> Ibid., 1018.

<sup>18</sup> Ibid., 990.

<sup>19</sup> Ibid., 37 (1845).

landholders, to protect their interests. With a noble magnanimity he preferred the interests of the country to those of a class.”<sup>20</sup>

Free traders also framed the debate as one to restore what they believed were the optimal economic attributes of a republic, a vision that stressed Jacksonian egalitarianism. Representative Robert Owen of Indiana, son of the utopian founder of the New Harmony community two decades before, characterized the debate as one about the appropriate nature of trade policy in relation to the American Republic. He inquired of protectionists, “This policy of imposing taxes, not with a single eye to revenue, but with the express design to shut out competition and raise prices ... You speak of it as patriotic; you still call it American; do you hope to continue, to perpetuate, to ingraft it on our republican system?” Owen remarked “Privilege always dies hard ... The history of reform throughout the world teaches us this lesson: that privilege has often lost all because she knew not when to yield a part. There was a time, in the early days of the French Revolution, before the oath of the Tennis court or the fall of the Bastille, when, by well timed concession, the unfortunate Louis might have saved his kingdom and life.”<sup>21</sup>

On July 3, 1846, the House of Representatives passed the Walker Tariff by a vote of 114 to 95.<sup>22</sup> Like the voting patterns in 1842, the overall voting pattern correlated strongly with political party affiliation. Democrats generally voted for the bill, while Whigs and American Party members voted against it. The bill was quickly passed on to the Senate for consideration.<sup>23</sup>

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<sup>20</sup> Ibid., 990 (1846).

<sup>21</sup> Ibid., 1004-1005.

<sup>22</sup> Ibid., 1053.

<sup>23</sup> Although the votes generally followed party lines, the process required significant political maneuvering. Pennsylvania Democrats were particularly anxious for iron protection. The proposed version of the bill ended up containing seven categories of *ad valorem* rates, and iron received incidental protection in the form of a 30% tariff rate. Polk had vaguely pledged incidental protection to Pennsylvania Democrats in the 1844 election campaign. In the end, Polk received poor support from the Pennsylvania Democrats (see Appendices LL and MM), see Paul H. Bergeron, *The Presidency of James K. Polk* (Lawrence: University Press of Kansas, 1987), 187, Walter R.

Whigs continued to resist the Walker Bill in the Senate. Senator George Evans of Maine was particularly indignant over the impending repeal of the 1842 Tariff. He exclaimed, “The fierce and bitter denunciations – the outpouring of all sorts of opprobrious epithets directed against the existing law.” Evans then asked, “Has the Tariff of 1842 accomplished that which its friends and advocates and supporters promised it would accomplish? ... We hear it said that this law was designed for protection alone. No Sir. We know it would yield good protection, but we passed this at a time when your treasury was empty and your credit gone.”<sup>24</sup>

With the political tables now turned, Whigs predicted calamitous results from a transition to free trade. Senator John Davis of Massachusetts expressed concerns that a free trade bill would ruin the American republican fabric, an argument previously used by free traders. Davis described the Walker bill “as favoring foreigners at the expense of our own interests; because it was anti-American in all its details; because it overloaded particular interests, and would render it necessary to divert labor into new channels; because it protected one interest at the expense of all others; and because it was a war on free labor, pregnant with moral degradation.”<sup>25</sup>

Whigs also expressed fears over the tyranny of the majority in an increasingly democratic United States. Daniel Webster launched an entirely new argument on behalf of economic nationalism, criticizing the Democrat free traders of crass populism. He noted that “We are here, sir, calling ourselves every day a Democratic Congress, and the majority of the body is said to be about to pass a great Democratic measure ... a measure favorable to the masses – favorable to the people – preferring the interests of the masses to the interests of a few – preferring the

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Borneman, *Polk: The Man Who Transformed the Presidency and America* (New York, Random House, 2008), 115-116, Douglas A. Irwin and Joseph H. Davis, “The Antebellum U.S. Iron Industry: Domestic Production and Foreign Competition,” Working Draft dated June 19, 2007, 13-14. Irwin and Davis conclude that “the tariff reduction in December 1846 had little immediate impact on producers because domestic prices rose through 1847 as demand continued to expand.” They also note that changes in international markets were felt soon after, and “U.S. producers blamed British “dumping” of iron in the U.S. market and the Walker Tariff reduction for the distress after 1847.”

<sup>24</sup> Cong. Globe, 29<sup>th</sup> Cong., 1st Sess., 1090-1092 (1846).

<sup>25</sup> *Ibid.*, 1110.

interests of the great body of the people to those who may be called the possessors of a high measure of wealth.”<sup>26</sup>

Democrats denied the legitimacy of Webster’s arguments, and argued that it was the preferential economic treatment of capitalists that was the problem. The new tariff would, similar to the Corn Laws repeal, create economic relief for American citizens. South Carolina’s George McDuffie asserted that “the Senator from Massachusetts, in characterizing this bill as an aristocratic measure, imposes on me the duty of saying a very few words ... I sincerely believe that in this bill, on all that class of manufactures consumed by the poor and middle ranks, there is a reduction of duties greater than on any other class of articles in the bill ... [it] will enable the people of the United States to consume an increased importation, approaching to ten millions of dollars, at prices little more than two-thirds of that which they have now to pay.”<sup>27</sup>

On July 28, 1846, the Senate ratified the Walker Tariff by the narrow vote of 28 to 27.<sup>28</sup> Like House vote, the roll call in the Senate correlated more strongly to party affiliation, rather than geography. The Walker Tariff passed, significantly reducing American tariff schedules.

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<sup>26</sup> Ibid., 1152.

<sup>27</sup> Ibid., 1153.

<sup>28</sup> Ibid., 1158.

Table 10.1 summarizes the Walker Tariff roll call vote by region:

**Table 10.1.** Ratification Vote of the 1846 Tariff Bill by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, ME, NH, RI, VT)	9	19	2	10
Atlantic	(DE, NJ, NY, PA)	18	44	2	6
Chesapeake	(MD, VA)	15	3	1	3
South	(FA, GA, NC, SC)	18	6	5	2
Northwest	(IL, IN, MI, OH)	26	10	6	2
Southwest	(AL, KY, MS, TN)	20	12	6	2
Trans South	(AR, LA, MO, TX)	<u>9</u>	<u>1</u>	<u>6</u>	<u>2</u>
Totals		115	95	28	27

Source: Cong. Globe, 29<sup>th</sup> Cong., 1st Sess., 1053, 1158 (1846); note that although the *Globe* reported the House roll call vote as 114 to 95, only 115 aye votes are recorded.

The table shows that there was regional bias on the tariff issue in the roll call votes. The more industrialized Northeast generally objected to the measure, while the Southern and Western regions generally favored it. However, the near unanimity that characterized regional voting in the 1824 through 1832 period was no longer present in 1846. In almost all regions there existed meaningful minority positions, as had been the case in 1841 and 1842. Many Southerners were willing to embrace protectionism, while many Northerners willingly adhered to a free trade stance.

Table 10.2 summarizes the 1846 tariff vote in both the House and Senate by party affiliation, and it shows that party remained a more significant variable in determining the final roll call votes:

**Table 10.2.** Ratification Vote of the 1846 Tariff Bill by Party Affiliation

Political Party	House Ayes	House Nays	Senate Ayes	Senate Nays
Democrat	113	18	27	4
Whig	2	71	1	23
American	<u>0</u>	<u>6</u>	<u>0</u>	<u>0</u>
Totals	115	95	28	27

Source: Cong. Globe, 29<sup>th</sup> Cong., 1st Sess., 1053, 1158 (1846); note that although the *Globe* reported the House roll call vote as 114 to 95, only 115 aye votes are recorded.

The table illustrates that once again, the tariff issue in 1846 was more a matter of party rather than one of geography. Whig and American Party opposition was near unanimous, as 97% of their House members and 96% of their senators voted against the measure. Democrats overwhelmingly voted in favor of the measure, though with less solidarity in their voting bloc. The resisting party members were largely confined to the Atlantic states, and in particular, Pennsylvania. Sixteen of the eighteen Democrats voting against the measure hailed from the Atlantic region and ten of those were Pennsylvanians. Two of the four Democrat senators voting “nay” represented Pennsylvania.<sup>29</sup>

A significant variable explaining most of the votes that conflicted with party affiliation was the still-common practice of state legislatures to instruct their congressional delegations on important issues of the day. Moses McClean of Pennsylvania related that “I am a Democrat. I hold to the right of instruction from my people.” McClean presented resolutions from the Pennsylvania State legislature requesting that its senators and representatives oppose any modifications to the Tariff of 1842. Consequently, he conceded that “these resolutions and requests, coming from the Legislature of my native State – from the Democratic Legislature of both Houses, signed and approved by a Democratic Governor – and being, as I believe these resolutions are, in strict accordance with the wishes of the people whom I have the honor more immediately to represent, I feel bound in my action here to pay the strictest regard to them.”<sup>30</sup>

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<sup>29</sup> Polk had indications that Pennsylvania could be kept in the party fold regarding the tariff. Senator Simon Cameron initially suggested that Pennsylvania Democrats would overlook the tariff despite the state’s historical pro-tariff tendencies. Ultimately, Cameron voted against the tariff along the vast majority of the Pennsylvania congressional delegation; Iron was an extremely important local issue in Pennsylvania. The number of furnaces and tons of output had increased from 45/31,000 in 1830 to 213/152,000 by 1840, see Paskoff, *Industrial Evolution*, 75; Eugene Irving McCormac, *James K. Polk, a Political Biography* (Newtown, Connecticut: American Political Biography Press, 1995), 668; In a situation where every vote counted, particularly due to the defection of Pennsylvania Democrats, the administration was fortunate to gain support from Democrat votes from the new State of Texas, see Howe, *What Hath God Wrought*, 765.

<sup>30</sup> Cong. Globe, 29<sup>th</sup> Cong., 1st Sess., 991 (1846).

The Pennsylvania situation, where a Democratic controlled state government favored discriminatory protection, was influenced by the State's economic interests, and particularly the iron industry. Democrat Senator Simon Cameron explained the situation back in his native state. He described his constituents, noting that "Their Democracy is undoubted and beyond reproach. It is known throughout the Union; and thrice has it saved the Democratic party of the Union. Her sons come here not to create a panic, but to speak with Democrats in the Senate, and in other high places, as Democrats may speak to those whom by their votes they have elevated."<sup>31</sup>

Cameron maintained that in the past election, Pennsylvania voters were led to believe in a campaign slogan of "Polk, Dallas ... and the Tariff of 1842." He insisted that "neither of the three, sir, would have got the vote of Pennsylvania without the last – the Tariff of 1842. Much as we disliked Mr. Clay, and sincerely attached as we were to the Democratic Party, all would have gone before we would have relinquished the Tariff of 1842."<sup>32</sup> Consequently, Cameron and his fellow Democrat Pennsylvania senator, Daniel Sturgeon, both voted against the bill.

In the remaining cases where legislators broke rank with their party, it was usually due to intense pressure from either home legislatures or constituent interests. Senator John Niles of Connecticut, a Democrat who voted against the bill, noted that "The act of 1842 has never been an object of assault on the part of the Democracy of the North" and he considered "this bill hostile to the Democracy of his State."<sup>33</sup> In similar fashion, Senator Spencer Jarnagin, a Whig from Tennessee, declared that "I will not allow it to be said that this was forced upon the people

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<sup>31</sup> Ibid., 1112.

<sup>32</sup> Ibid., 1112.

<sup>33</sup> Ibid., 1117.

of the United States by a Whig vote. I shall, when the time comes, obey my instructions; but I wish it to stand *rectus in curia*.”<sup>34</sup>

Kentucky’s John Crittenden was distraught over the situation involving state legislature instructions. He lamented that “It is to pass by the vote of the Senator from Tennessee, acting under instructions ... That Senator is himself a Whig, and his personal views and feelings are entirely opposed to this measure ... if this bill pass – if the Senator votes against his personal convictions, and in favor of a bill which he thinks destructive to the best interests of the country – it will pass by a single vote.”<sup>35</sup> Crittenden was technically correct in asserting that each Senate vote mattered since the bill passed by a single vote, but he selectively complained about Jarnagin’s situation, while ignoring the fact that more than one Democrat senator voted against the bill as a result of the exact same set of circumstances.<sup>36</sup>

Whigs continued the fight to reinstate the American System after the Walker Tariff passed. Some Whigs even welcomed its passage, as they were certain that economic disaster would soon follow, ensuring that the Whigs would regain the control of the executive and legislative branches that they had fleetingly controlled in 1841.<sup>37</sup> Henry Clay wrote as late as 1850 that “Some of us are considering the propriety of attempting at this session some modification of the

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<sup>34</sup> Ibid., 1151; Jarnagin’s vote attracted considerable attention. Daniel Webster and other Whigs tried to convince him to ignore his instructions. He, at one point, was rumored to be considering resignation. President Polk personally applied pressure to assure that Jarnagin voted in favor of the bill, see Bergeron, *Presidency of James K. Polk*, 190-191. Jarnagin’s vote became crucial when North Carolina Senator William Haywood, a Democrat, resigned only days before the roll call rather than vote in favor of the bill, see Robert W. Merry, *A Country of Vast Designs: James K. Polk the Mexican War, and the Conquest of the American Continent* (New York: Simon & Schuster, 2009), 274-275.

<sup>35</sup> Cong. Globe, 29<sup>th</sup> Cong., 1st Sess., 1155 (1846).

<sup>36</sup> Crittenden, the Clay protégé, gambled in attempting to outright defeat the Walker bill. Daniel Webster had tried to negotiate a compromise bill, and gained soft support from his Boston-based supporters and Secretary Walker. However, he needed full Whig support in order to assure that he could fashion the compromise, and Crittenden withheld support, thus dooming the compromise effort, see Robert F. Dalzell, Jr., *Daniel Webster and the Trial of American Nationalism, 1843-1852* (Boston, Massachusetts: Houghton Mifflin Company, 1973), 110-111.

<sup>37</sup> Holt, *Political Parties*, 215-216. The anticipated economic depression never materialized. Whigs, running Zachary Taylor, won the presidential election of 1848, but failed to gain a majority in either the Senate or the House in the Thirty-First Congress; Holt, *The Political Crisis of the 1850s*, (New York: John Wiley & Sons, Inc., 1978), 47.



existing tariff, but nothing has been yet absolutely determined on.”<sup>38</sup> Clay’s desire to offer another protectionist tariff bill would go unfulfilled at the time of his death in 1852. Soon thereafter, his Whig Party collapsed. However, the cause for economic nationalism survived, as a loose coalition that included the new Republican Party, the American Party, and other “opponents” of the Democracy remained active in advancing protectionist economic interests during the 1850s.

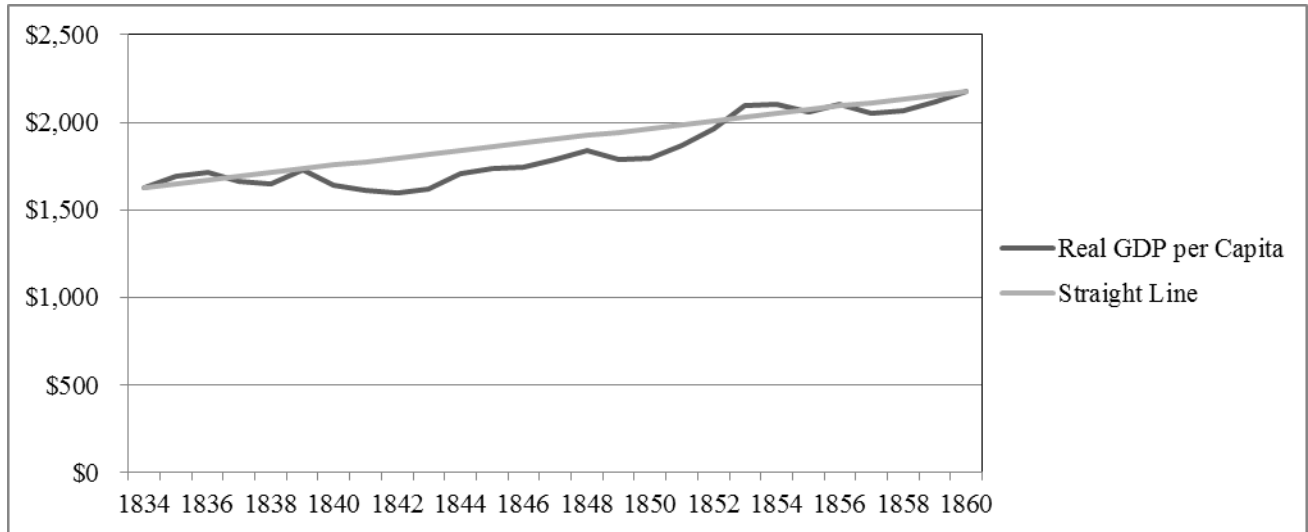
### **American Trade and the National Economy: 1833 to 1860**

Economic nationalists predicted in 1846 that the radical change in trade policy would surely damage prospects for the American economy. Their prophecy failed. Instead, the American economy grew significantly between 1846 and 1857.

Figure 10.1 charts the growth of American GDP per capita from the time of the Compromise Tariff up to the Civil War. While the latter 1830s had been a period of stagnant national productivity, mainly the result of the Panic of 1837, the 1840s and early 1850s were periods of significant growth. American real GDP growth per capita (shrank)/grew at annualized rates of (0.6%), 0.9%, and 1.9% during the time periods of 1833-1840, 1840-1850, and 1850-1860, respectively. The real GDP per capita commenced a sharply upward trend after the protectionist Tariff of 1842 passed. However, in the aftermath of the laissez-faire Walker Tariff, the upward trend actually improved. Naturally, each side of the trade policy debate viewed these two most recent legislative initiatives, and subsequent economic growth, as proof that their respective policy produced national economic prosperity.

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<sup>38</sup> Henry Clay to F. R. Backus, 13 September 1850, Filson Historical Society special collections, Louisville, Kentucky.

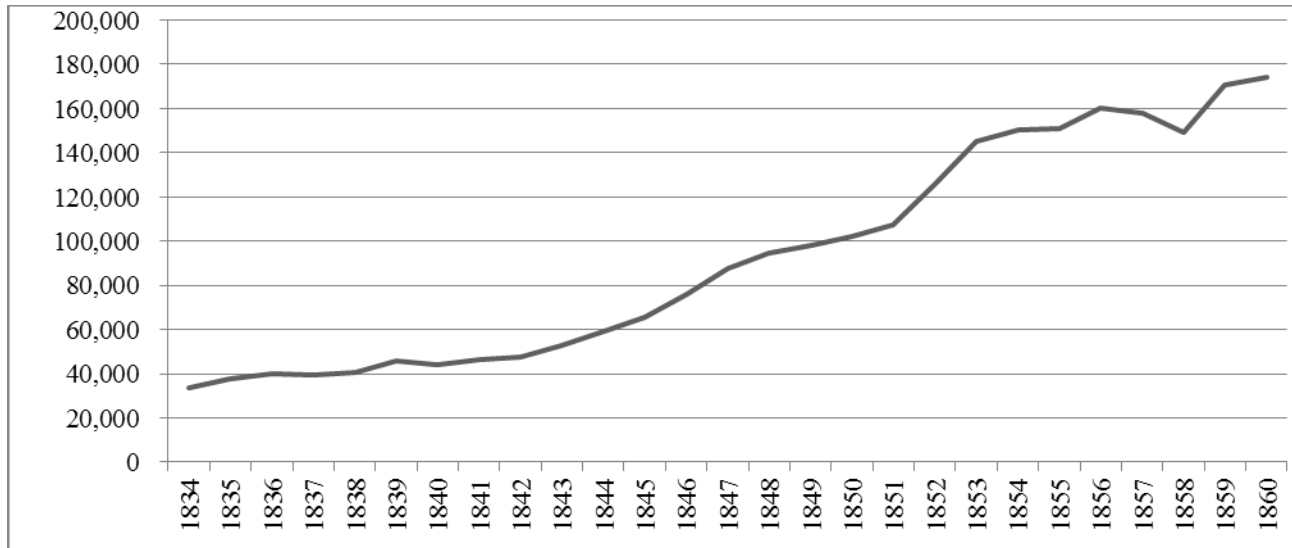


**Figure 10.1.** American GDP per Capita, 1833 to 1860 (in real dollars = 1996) (3 year rolling average)

Source: Carter, et al., eds., *Historical Statistics*, 5:498, 510; “Measuring Worth,” <http://www.measuringworth.org/usgdp/>.

A significant portion of the American economic expansion from 1840 onward can be credited to continued industrialization. Figure 10.2 shows the trend of American industrial growth on a nominal basis from the time of the Compromise Tariff of 1833 until 1860. During the 1830s, nascent American industry continued its slow and steady rate of growth. However, in the 1840s and 1850s, the American industrialization process rapidly accelerated.

The annual compounded industrial growth rate during this twenty-seven year period was an impressive 6.1% per annum. A breakdown by decade, though, shows that the growth in the 1840s and 1850s was particularly strong. The industrial growth from 1833 to 1840 was 3.2% per annum, a satisfactory rate under circumstances that included the Panic of 1837. However, the rates of growth in the 1840s and 1850s were much higher, at 8.8% and 5.4%, respectively. The manufacturing sphere, which had been a smaller economic sector than agriculture and commerce during the early part of the nineteenth century, was now ascendant, and had come of age.

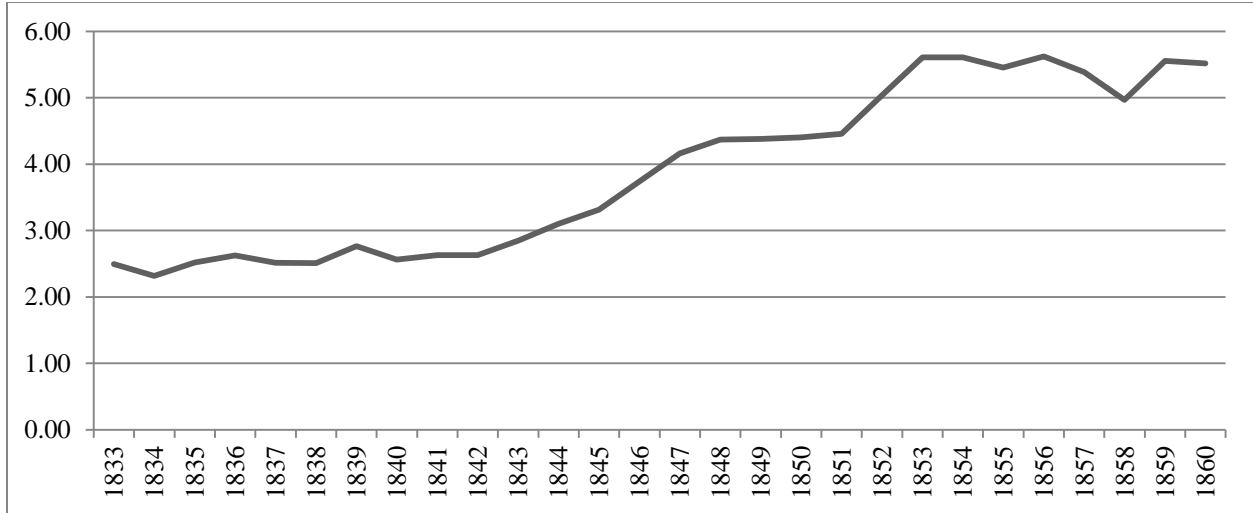


**Figure 10.2.** American Industrial Production, 1833-1860

Source: Carter, et al., eds., *Historical Statistics*, 3:23-24. The above information was compiled by Joseph H. Davis and represents the best estimates to date from somewhat imperfect data of what the United States manufacturing output was during the nineteenth century. Note that the Davis Index uses base year 1849-1850 as 100,000.

A number of potential factors might explain this surge in American industrialization. One possibility was the acceleration of American immigration, fueled in the latter 1840s by the Irish Famine and the European revolutions in 1848. Another could be the growth of capital and productivity among American workers. A third explanation could be the expansion of American industrialization beyond the Northeast of the United States to other parts of the country.

In order to address the issue of immigration, the above nominal industrial production data can be viewed in the context of American population growth during the corresponding period. Table 10.3 illustrates that the growth of American industrialization, when viewed on a per capita basis, was every bit as impressive as it was on a nominal basis. By any measure, American industrialization, which had commenced in earnest after the War of 1812, experienced a major “take off” expansion beginning in the 1840s.



**Figure 10.3.** American Industrial Production on a per capita Basis, 1833-1860

Source: Carter, et al., eds., *Historical Statistics*, 3:23-24. The above information was compiled by Joseph H. Davis and represents the best estimates to date from somewhat imperfect data of what the United States manufacturing output was during the nineteenth century. Note that the Davis Index uses base year 1849-1850 as 100,000.

The American “takeoff” in manufactures between 1840 and 1860 was not confined to New England and the Atlantic States, where significant industrialization had begun in the 1820s with the founding of Lowell. The industrialization process was underway in all parts of the nation. Data from the 1840, 1850, and 1860 United States censuses provide basic manufacturing statistics. As is the case with all early American census data, the information provided should not be construed as precise, but is still useful in identifying large scale trends and changes.<sup>39</sup>

The census data provides compelling evidence to support an assertion that a Rostovian “takeoff” process was underway in the United States from 1840 onward, as industrialization expanded from the northeastern regions of the country and spread to other regions. This process included both the Western and Southern regions. Table 10.3 summarizes the total amount of capital invested in manufactures by region as measured in each of the three aforementioned census reports:

<sup>39</sup> Rostow’s concepts regarding “takeoff” were previously introduced in Chapter 9.

**Table 10.3.** Total Capital Investment in Manufactures by Region, 1840 – 1860 (in millions)

Region	States	1840	1850	1860
Atlantic	(DE, NJ, NY, PA)	\$100.2	\$219.2	\$ 416.4
New England	(CT, MA, ME, NH, RI, VT)	\$ 88.8	\$158.1	\$ 293.8
Northwest	(IL, IN, MI, OH)	\$ 28.1	\$ 54.5	\$ 152.0
Chesapeake	(MD, VA)	\$ 17.8	\$ 32.9	\$ 50.2
Southwest	(AL, KY, MS, TN)	\$ 13.6	\$ 24.6	\$ 48.1
Trans South	(AR, LA, MO, TX)	\$ 9.6	\$ 15.3	\$ 31.8
South	(FA, GA, NC, SC)	\$ 10.6	\$ 19.3	\$ 30.0
Pacific	(CA, OR)	<u>n/a</u>	<u>\$ 1.0</u>	<u>\$ 23.3</u>
Totals		\$266.7	\$524.9	\$1,045.6

Source: United States Census, 1840, 1850, and 1860, <http://fisher.lib.virginia.edu>.

The 1850 and 1860 censuses also provided information on total manufactures output and the 1860 census identified the number of factories in the United States. This information is summarized in Table 10.4:

**Table 10.4.** Total Manufactures Output by Region, 1850 – 1860 (in millions)

Region	States	Output 1850	Output 1860	Factories 1860
Atlantic	(DE, NJ, NY, PA)	\$ 430.2	\$ 750.7	49,775
New England	(CT, MA, ME, NH, RI, VT)	\$ 276.3	\$ 432.2	20,671
Northwest	(IL, IN, MI, OH)	\$ 127.7	\$ 299.0	29,514
Chesapeake	(MD, VA)	\$ 70.5	\$ 92.4	8,468
Southwest	(AL, KY, MS, TN)	\$ 50.5	\$ 73.1	8,457
Pacific	(CA, OR)	\$ 12.9	\$ 71.2	8,777
Trans South	(AR, LA, MO, TX)	\$ 35.6	\$ 66.8	6,402
South	(FA, GA, NC, SC)	<u>\$ 28.8</u>	<u>\$ 44.1</u>	<u>6,994</u>
Totals		\$1,032.5	\$1,829.5	139,058

Source: United States Census, 1850 and 1860, <http://fisher.lib.virginia.edu>.

Both Tables 10.3 and 10.4 validate that the Atlantic States and New England were clearly the center of American manufacturing. The two regions were home to 71%, 72%, and 68% of the total manufacturing capital in the United States in 1840, 1850, and 1860, respectively. Further, these two regions also accounted for 68% of total American manufacturing output in 1850 and 65% of output in 1860. In addition to the northeastern regions, all other regions in the country

experienced significant increases in manufacturing capital invested and manufacturing output between 1840 and 1860.

Although the northeastern United States possessed the majority of American manufactures, a truer test of a takeoff would be the rates of manufacturing growth within each region. Table 10.5 illustrates total manufacturing capital invested in each region on a per capita basis between 1840 and 1860, which neutralizes any biases created by population changes:

**Table 10.5.** Total Manufactures Capital Investment per capita by Region, 1840 – 1860

Region	States	Per Capita 1840	Per Capita 1850	Per Capita 1860
New England	(CT, MA, ME, NH, RI, VT)	\$ 38.85	\$ 57.95	\$ 93.71
Atlantic	(DE, NJ, NY, PA)	\$ 21.76	\$ 36.60	\$ 54.99
Chesapeake	(MD, VA)	\$ 10.42	\$ 16.40	\$ 21.97
Northwest	(IL, IN, MI, OH)	\$ 9.48	\$ 11.55	\$ 19.55
Southwest	(AL, KY, MS, TN)	\$ 5.28	\$ 7.32	\$ 11.98
Trans South	(AR, LA, MO, TX)	\$ 11.47	\$ 9.42	\$ 10.85
South	(FA, GA, NC, SC)	\$ 5.07	\$ 7.63	\$ 10.35

Source: United States Census, 1840, 1850, and 1860, <http://fisher.lib.virginia.edu>.

New England and the Atlantic regions achieved the highest measurement of manufacturing “density.” However, all other regions of the country also experienced increasing levels of manufacturing as well.

Table 10.6 shows the rates of growth in each region on a per capita basis, providing the best measure of the adaptation of manufacturing in the various parts of the country:

**Table 10.6.** Growth in Manufactures Capital Investment per capita by Region, 1840 – 1860

Region	States	Growth 1840-1850	Growth 1850-1860	Growth 1840-1860
Atlantic	(DE, NJ, NY, PA)	68.2%	50.3%	152.8%
New England	(CT, MA, ME, NH, RI, VT)	49.2%	61.7%	141.2%
Southwest	(AL, KY, MS, TN)	38.5%	63.7%	126.8%
Chesapeake	(MD, VA)	57.4%	34.0%	110.9%
Northwest	(IL, IN, MI, OH)	21.9%	69.3%	106.4%
South	(FA, GA, NC, SC)	50.4%	35.7%	104.0%
Trans South	(AR, LA, MO, TX)	(17.8%)	15.1%	( 5.4%)

Source: United States Census, 1840, 1850, and 1860, <http://fisher.lib.virginia.edu>.

Once again, the rates of growth were strongest in the Atlantic states and New England. However, while measures of absolute capital investment and manufacturing output show a great disparity between those two regions and the remainder of the country, when a per capita measure is applied based upon invested capital over a twenty year period, the regional disparities are far less significant. What becomes obvious is that all regions except the Trans South experienced significant levels of growth between 1840 and 1860. The entire nation was embracing industrialization. The anomaly of the Trans South data is principally due to the addition of Texas, which possessed virtually no industry, to the United States in 1845. The strong rates of growth in Southern States provide evidence as to why numerous Southerners became more open to protectionist ideology commencing in the 1840s.

Southern openness to economic nationalism becomes even more apparent when the above per capita growth rates are applied to individual states. Table 10.7 lists the top ten States in terms of growth in manufacturing capital invested per capita between 1840 and 1860:

**Table 10.7.** Top Ten States in Growth Rate, Manufactures Capital Investment on a per capita basis, 1840 – 1860

State	Region	Growth 1840-1860
Delaware	Atlantic	333.2%
Connecticut	New England	303.8%
Pennsylvania	Atlantic	254.4%
Tennessee	Southwest	188.9%
Alabama	Southwest	161.7%
Maine	New England	147.8%
Maryland	Chesapeake	146.4%
Georgia	South	145.6%
Illinois	Northwest	144.3%
Missouri	Trans South	140.5%

Source: United States Census, 1840 and 1860, <http://fisher.lib.virginia.edu>.

The above table includes states from every region of the country, again illustrating that industrialization was a national phenomenon. Further, half of the above states were slave states, demonstrated that the Peculiar Institution did not inhibit the growth of manufacturing.

Many historians have studied the manufacturing output gap between the North and the South that existed in 1850 and 1860, a fact consistent with the data found in tables 10.4 and 10.5. The most noteworthy effort is *A Deplorable Scarcity*, authored by Fred Bateman and Thomas Weiss. Their work presented a number of points that are actually compatible with the findings of this study. Bateman and Weiss maintained that Southern industrial undertakings were highly profitable, and that the financial return per annum “was 28 percent in 1860, and 25 percent in 1850 ... on a state and regional basis, the returns appear equally lofty.”<sup>40</sup> As demonstrated by the data in this chapter, the Southern manufacturing was growing at a relatively rapid pace prior to the Civil War. In the end, *Deplorable Scarcity* did not provide a compelling case that Southern manufacturing was doomed to perpetually lag the North. Rather, the book better explains why a significant Southern Gerschenkronian “catch up” failed to materialize in the 1850s. To this issue, their study contributed some helpful insights. Raw cotton prices, which had averaged about eight cents per pound in the 1840s, jumped to eleven cents per pound in the 1850s, causing many Southern planters to focus their economic resources to cultivating cotton, where they possessed comparative economic advantage. Further, technological advances in cultivation caused the annual output of bales of cotton per slave to markedly increase in much of the South during the 1850s. Cotton production, predominantly comprised of variable costs, posed a less risky alternative to manufacturing projects, which involved significant fixed cost investments. Simply put, Southern industrialization proceeded during the 1850s, but could have

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<sup>40</sup> Fred Bateman and Thomas Weiss, *A Deplorable Scarcity: The Failure of Industrialization in the Slave Economy* (Chapel Hill: University of North Carolina Press, 1981), 106.



been much greater if Southern investors had chosen the higher risk and reward associated with manufacturing. Instead, they chose to accept lower profits, and lower financial risk, by allocating significant resources to cotton production.<sup>41</sup>

The impact of tariff barriers on American trade was not as strong as many contemporary politicians may have believed after 1840. Figure 10.4 shows the average tariff rate on American imports between 1833 and 1860.



**Figure 10.4.** American Foreign Trade, 1833 to 1860 (3 year rolling average)

Source: Carter, et al., eds., *Historical Statistics*, 1:30, 3:24.

The impact of the Tariff of 1842 was to increase the effective tariff rate. However, the levels of overall American trade were not significantly impacted, decreasing only slightly.

<sup>41</sup> Carter, et al., eds., *Historical Statistics*, 3:209; Bateman and Weiss, *A Deplorable Scarcity*, 27-28, 128-142; James D. Foust and Dale E. Swan, "Productivity and Profitability of Antebellum Slave Labor: A Micro-Approach," in *The Structure of the Cotton Economy of the Antebellum South*, edited by William N. Parker (Washington, D.C.: The Agricultural History Society, 1970), 46-47; Southern planters, in selectively accepting industrialization, as well as dedicating resources to cotton agriculture, were simply making rational economic judgments for their own self-interest. Brian Schoen notes that "close examination of planters' exhaustive accounting logs and letters reveal their obsession with gains and losses ... reminding us that their homes were also modern businesses, often on a grand and very brutal scale ... [and] almost certainly approximated Northern factories or merchant houses more closely than urban artisan shops or family farms," Schoen, "The Burdens and Opportunities of Interdependence: The Political Economies of the Planter Class," in *The Old South's Modern Worlds: Slavery Region and Nation in the Age of Progress*, edited by Diane L. Barnes, Brian Schoen, and Frank Towers (New York: Oxford University Press, 2011), 67.

The Tariffs of 1846 and 1857, in contrast, significantly decreased the effective tariff rate, but their implementation did not lead to a flood of imports, as had been the case after the War of 1812. The key difference between the two episodes is that the American “infant industries” of the 1810s and 1820s had, by the 1840s and 1850s, with some help from protection, grown to the point where they could produce large quantities of goods on a cost effective basis. The very modest consequences of lowered tariffs from the 1840s onward to American international trade strongly suggest that the American manufacturing sphere had reached a stage of maturity and that the national economy had evolved to a greater state of economic self-sufficiency.<sup>42</sup>

### **The Tariff of 1857**

An important political development between the time of the Tariff of 1846 and the Tariff of 1857 was the breakdown of the Second Party System. In the interim, there had been rumblings to further reduce the tariff during Fillmore’s administration as well as the early years of the Pierce administration, but nothing came of the efforts.<sup>43</sup> The Whigs fielded a presidential candidate for the last time in 1852 and the party was in rapid decline as the slavery issue tore it apart. The Republican Party ran its first presidential candidate in 1856, but was still in its formation process. As a result, Congress possessed a menagerie of political interests. The Democracy remained the sole major national party, but only held a majority in the Senate. Very few non-Democrats clung to the Whig moniker, and a growing number of Northerners identified

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<sup>42</sup> In the important area of cotton textiles, Douglas A. Irwin and Peter Temin note that “after 1830 ... American and British cotton-textile producers specialized in quite different varieties of cotton goods, and domestic producers were insulated from foreign competition by the different characteristics of their products,” Irwin and Temin, “The Antebellum Tariff on Cotton Textiles Revisited,” *The Journal of Economic History* Volume 61, No. 3 (Sep, 2001): 778.

<sup>43</sup> John Ashworth, *Slavery, Capitalism, and Politics in the Antebellum Republic, Volume 2: The Coming of the Civil War, 1850-1861* (New York: Cambridge University Press, 2007), 443; Larry Gara, *The Presidency of Franklin Pierce* (Lawrence: University Press of Kansas, 1991), 61.

themselves as Republicans, but the great majority of non-Democrats identified themselves either as the “American Party” or simply as “Opposition” members.<sup>44</sup>

The American economy performed well between 1846 and 1857. The discovery of gold in California in 1848 grew the nation’s money supply, spurring economic growth. Foreign investment facilitated a rapid expansion of American infrastructure, particularly railroads. The Walker Tariff produced none of the calamities that the Whigs predicted back in 1846.<sup>45</sup>

As Congress considered the Tariff of 1857, many familiar faces from previous tariff debates were absent. Henry Clay, John Calhoun, and Daniel Webster had all died since passage of the Walker Tariff. When the 1857 tariff bill was introduced, the great oratory and principled positions over trade policy were notably absent as well, overshadowed by a national obsession with the slavery issue.

The Tariff of 1857 was constructed as a sort of “middle ground” piece of legislation, in a fashion quite distinct from earlier trade policy measures. The bill proposed to lower overall tariff levels by about twenty percent. Importantly, it proposed dramatic reductions on raw wool imports, a very appealing prospect to American wool manufacturers, who were struggling economically at the time.<sup>46</sup>

The 1857 bill was passed through the efforts of an odd coalition between free trade Democrats and New England and Atlantic legislators, who were serving the economic interests

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<sup>44</sup> At this juncture, the potential remained that a national party could be constructed to oppose the Democrats instead of the sectional Republican Party. The American Party represented that hope, and would field a presidential candidate in 1860. The American Party was most prominent in the upper South. Michael Holt observed that “old Whigs like John Bell of Tennessee and especially John Crittenden of Kentucky saw that Buchanan’s policies had created a chance to revive a national conservative opposition party that could replace the Republicans in a new two-party system.” Economic policy, and the tariff, was an issue that these individuals believed could contribute towards creating a new national coalition; Holt, *Political Crisis of the 1850s*, 207-208. For a discussion of the American Party’s development in the 1850s in North Carolina, refer to Marc Kruman, *Parties and Politics in North Carolina, 1836-1865* (Baton Rouge: Louisiana State University Press, 1983), 159-174.

<sup>45</sup> Wilentz, *Rise of American Democracy*, 664.

<sup>46</sup> Stanwood, *American Tariff Controversies*, 2:98-101.

of their wool manufacturing constituents. The passage could not have succeeded without this political marriage because Democrats were now a minority in the House. In an ironic twist, free trade ideas mixed with Northeastern manufacturing interests to make the bill a reality. Additionally, it was debated and passed during the lame duck session of the Thirty Fourth Congress in early 1857, after the election of James Buchanan, but before his inauguration. In fact, it was the final legislative act signed by President Franklin Pierce on his last day in office.<sup>47</sup>

Even after eleven years of a free trade policy, protectionists desired to return the country to a nationalist-based trade policy. Representative Nathaniel Durfee of Rhode Island stated “The prominent interest of that State [Rhode Island] is her manufactures. Being among the first to embark in the business, she has always pursued it with characteristic perseverance, and with a success which has fluctuated only in consequence of the fluctuations of national legislation. ... a large majority of the intelligent and well-informed of all political parties in that State are decidedly favorable to a tariff which, whether denominated revenue or protective, shall be based upon some principle of discrimination in favor of domestic industry.”<sup>48</sup>

Nationalists, as they had done in 1846, warned that free trade would weaken the United States and leave it exposed to economic panics. Representative Amos Granger of New York expressed alarm at the prospect of further lowering tariffs, as they would cause the nation to become dependent upon foreign powers for essential goods. He stated, “Suppose the case of a foreign war, of which you are never out of danger. Relying on a foreign supply of an article that enters into the daily indispensable use of every family, rich or poor, you might as well depend on foreigners for powder as for salt.” Granger warned that “unless we have a radical change in our tariff laws, we shall surely have another *crash*. Come it will, and it is only a question of time.

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<sup>47</sup> Roy Franklin Nichols, *Franklin Pierce: Young Hickory of the Granite Hills* (Norwalk, Connecticut: The Easton Press, 1988), 502.

<sup>48</sup> Cong. Globe, 34<sup>th</sup> Cong., 3rd Sess., 318-319 (1857).

We must manufacture more and import less, and keep our specie at home. We must raise our own wool, and make our cloth and iron as we do our glass, nails, and cottons.”<sup>49</sup>

Free traders restated their long-standing arguments to support lowering the tariff further, emphasizing that a virtuous republic required equal economic opportunity for its citizens. Lewis Campbell of Pennsylvania expressed the long-time free trade position that no portion of the national economy should receive any sort of preferential treatment. He explained that “we have been told by the gentlemen upon the other side of the House that it is the duty of this Government to protect American labor. What proportion of the American population is are engaged in manufacture? Not more than one-sixth or one-seventh of the whole population. And should the agricultural portion of our people, should all the persons engaged in commerce and trade, indeed should all the other classes of our people be taxed in order that the manufacturing interest should be built up?”<sup>50</sup>

As Table 10.8 shows, the 1857 Tariff roll call votes in the House and Senate followed a very unique pattern. In the House, the bill to reduce tariff levels, actually received significant support from Northeastern states and significant opposition from the Southern seaboard states. The western states (both in the North and the South) generally voted against the bill, but the vote was more divided (59% to 41%) than in the other parts of the nation.

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<sup>49</sup> Ibid., 643.

<sup>50</sup> Ibid., 744.

**Table 10.8.** Ratification Vote of the 1857 Tariff Bill by Region

Region	States	House Ayes	House Nays	Senate Ayes	Senate Nays
New England	(CT, MA, ME, NH, RI, VT)	27	0	4	4
Atlantic	(DE, NJ, NY, PA)	41	7	3	2
Chesapeake	(MD, VA)	5	13	2	0
South	(FA, GA, NC, SC)	3	13	7	0
Northwest	(IA, IL, IN, MI, OH, WI)	20	26	5	1
Southwest	(AL, KY, MS, TN)	7	22	4	0
Trans South	(AR, LA, MO, TX)	8	3	6	1
Far West	(CA)	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>
Totals		111	84	33	8

Source: Cong. Globe, 34<sup>th</sup> Cong., 3rd Sess., 791, 1062 (1857).

The changed voting pattern in the Northeast signaled a significant turning point in the progress of American industrialization. Historian Marc Egnal points out that “by midcentury New England factories could hold their own in world markets, and producers were concerned instead about securing cheap raw materials, particularly wool and cotton.”<sup>51</sup> American industrialization had reached a level of maturity by 1857.

The House voting patterns by party, shown in Table 10.9, show an equally curious pattern. Free trade Democrats generally voted against the measure, while the opposing coalition of Republicans, Americans, Whigs and others generally voted in favor of the bill. The lack of a Democrat majority in the House limited the extent to which the party could impose its will on trade policy issues, and the tendency by House Democrats to oppose the bill suggests that they may have wished to lower rates further and not provide what they perceived as favorable economic treatment to wool manufacturers.

<sup>51</sup> Marc Egnal, *Clash of Extremes: The Economic Origins of the Civil War* (New York: Hill and Wang, 2009), 243.

**Table 10.9.** Ratification Vote of the 1857 Tariff Bill by Party Affiliation

Political Party	House Ayes	House Nays	Senate Ayes	Senate Nays
Democrat	8	53	25	4
Republican	8	5	4	3
Opposition	52	18	0	0
Whig	4	0	3	1
American	<u>39</u>	<u>8</u>	<u>1</u>	<u>0</u>
Totals	111	84	33	8

Source: Cong. Globe, 34<sup>th</sup> Cong., 3rd Sess., 91, 1062 (1857).

As had been the case in 1846, some legislators felt bound to recognize instructions from their respective States. House Democrat Thomas Davidson of Louisiana acknowledged that “I desire to state that, while I am opposed to any discrimination, yet I am constrained, in carrying out in good faith the joint resolution of the Legislature of Louisiana, instructing the Senators and requesting the Representatives of that State in Congress in reference to duty on sugar, to vote against placing sugar on the free list, and in favor of retaining it in its present position.”<sup>52</sup>

Economic nationalists were less organized in the 1850s politically. Whigs had been consistently pro-tariff, but the party was virtually extinct by 1857. Republicans would eventually become fiercely pro-tariff in the future, but they were still in their political infancy in 1857. The fact that so many legislators were categorized as “Opposition” illustrates the transient nature of politics at this juncture. Historian John Ashworth commented that, in 1857, “when economic conditions were at last more favorable to a renewed debate over the tariff, the political will was missing.”<sup>53</sup>

The Tariff of 1857 was the final significant tariff bill of the antebellum period, and its passage confirmed free trade as the dominant American policy during the 1850s. Although the Panic of 1857 interrupted the long period of American prosperity dating back to the mid-1840s, there

<sup>52</sup> Ibid., 744.

<sup>53</sup> Ashworth, *The Coming of the Civil War*, 445.

were no serious efforts to reverse the trend towards free trade. Only the secession of Southern States in late 1860 and early 1861, and the outbreak of Civil War in April 1861, created circumstances where Republicans possessed the means in the executive and legislative branches to again alter the direction of American trade policy.

In March 1861, shortly after the majority of southern congressmen had abandoned Washington, a Republican dominated legislature passed the Morrill Tariff. The new tariff reestablished all of the trade principles of the American System, including specific duties and targeted protection for particular industries. Congress raised tariff rates again over the next four years to help fund the war, but with the end of hostilities in 1865 these tariffs were largely left in place. The United States would retain a protectionist trade policy for the next half-century.<sup>54</sup>

### **Conclusions**

The transition from the American System, which dominated the period between 1824 and 1846, to a laissez-faire trade policy between 1846 through 1857, did not slow down the accelerating pace of American economic growth. Industrialization expanded throughout all regions of the nation. By 1857, the United States had become one of the leading economic powers in the world, only trailing Great Britain and France in overall economic productivity.

The experiment with free trade witnessed substantial economic growth, but economic nationalists and free traders still fundamentally disagreed on the reasons behind this positive trend. Free traders naturally attributed prosperity with the passage of the Walker Tariff and ending discriminatory tariffs. Economic nationalists contended that earlier policies of protection had been critical to placing American manufacturers on a competitive footing with international competition. The Panic of 1857, which came about shortly after that year's tariff bill passed,

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<sup>54</sup> Taussig, *Tariff History*, 97-108.



provided a convenient episode for nationalists to contend that the nation required a new wave of protection in order to restore American economic growth and progress.

Although free traders clearly possessed the political upper hand from 1846 until the Civil War, they were unable to bring the trade policy debate to a conclusion. Economic nationalism remained alive and well, and an emerging Republican Party picked up the old Whig banner in promoting protectionism for American manufacturers. As the American Civil War approached, the trade policy issue remained unsettled.

Indiana's Robert Owen summed up the fierce nature of the debate in 1846 when he shared his belief that economic nationalists would continue the fight after passage of a free trade bill. He asked "Will its [The Tariff of 1842] defeat be silently acquiesced in? You know it will not. Session after session the struggles will be renewed, and renewed with increased forces and growing strength." He was not dismayed, though, and he warned the nationalists that "Reject it, and see if the next proposal be not one of yet lower rates."<sup>55</sup>

The most important feature of the trade policy issue during the 1840s and 1850s was the impact of American industrialization on the tariff debate. A national expansion clearly took place, and although the South and West lagged the Northeast in absolute manufacturing production, all regions of the nation experienced substantial manufacturing growth, and all regions clearly had economic stakes in the industrialization process. This evolution manifested itself in the fact that congressional voting patterns on the tariff issue were now more diversified within regions, and party ideologies reflected clear demarcations over economic policy that voters considered when electing their representatives. Trade policy, unlike the case in the 1820s and 1830s, was no longer a significant contributing factor to the sectional tensions developing in the United States.

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<sup>55</sup> Cong. Globe, 29<sup>th</sup> Cong., 1st Sess., 1005 (1846).

It was the Mexican American War that marked the beginning of escalating sectional tensions over a series of events such as the 1850 Compromise, Kansas-Nebraska Act and the Dred Scott decision, with slavery as a related cause behind them all. However, the corresponding Tariffs of 1846 and 1857 did not feature similar sectional hostilities. The corresponding rhetoric surrounding the tariff bills instead focused on familiar issues of protectionism and free trade, as had been the case in almost all previous debates. In fact, the Tariff debates from 1828 through 1833 contained far more references to sectional tensions than was the case in 1846 and 1857, even as the United States approached the outbreak of civil war.

This evidence suggests that trade policy, though a source of sectional friction during the Nullification Crisis, did not significantly contribute to the “Impending Crisis” in the 1840s and 1850s. The Civil War was caused by many factors, most prominently the slavery issue. Trade policy had little, if any, causal impact on the national tragedy that soon followed the Tariff of 1857.

## CHAPTER 11 – INTERESTS, IDEAS, AND TRADE POLICY, 1789 TO 1860

***Special Interest:*** a person or group seeking to influence legislative or government policy to further often narrowly defined interests<sup>1</sup>

***Ideas:*** a formulated thought or opinion<sup>2</sup>

Interests and ideas. American trade policy from its founding in 1789 to the Civil War was profoundly impacted both by the special economic interest groups created as a result of the First Industrial Revolution and the by the intellectual ideas that Americans developed about the role of political economy in a republican setting. There was much at stake, clearly demonstrated by the nineteen major trade policy initiatives considered by Congress over a sixty-eight year period.

Ideas influenced antebellum trade policy. The dual ideas of free trade and economic nationalism were present at the First Congress in 1789 and these competing ideologies, which slowly matured between 1789 and 1860, remained important features of American political landscape throughout the period. Foundational perspectives were augmented by important state reports such as Hamilton's *Report on Manufactures* and the Dallas Report of 1816, political programs such as the Jeffersonian Experiment and the American System, and the popular writings of authors that included Thomas Paine, John Taylor, Friedrich List, Mathew Carey, Hezekiah Niles, William Leggett and others.<sup>3</sup>

The first generations of Americans placed significant importance certain concepts, such as republicanism, virtue and liberty. In particular, they wished to avoid the perceived evils of Europe, particularly monarchical forms of government and the

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<sup>1</sup> www.merriam-webster.com.

<sup>2</sup> www.merriam-webster.com.

<sup>3</sup> Examples include Paine, *Common Sense*, 24; Taylor, *Tyranny Unmasked*, 226; List, *Outlines of American Political Economy*, 33, 37; Carey, *Addresses of the Philadelphia Society*, 30; Leggett, *Democratick Editorials*, 286; Niles' Weekly Register, 20 September 1828.

accompanying corruption that often accompanied them. The trade policy debate in many ways reflected competing interpretations of what the experimental American republic should be. Economic nationalism appealed to those concerned that a weak economic United States was endangered in a hostile world dominated by monarchy, where the goals and needs of the American community at large should take precedence over those of the individual. In contrast, free traders concluded that aggregations of political and/or economic power represented a great threat to the United States, where economic privileges could create a tyranny every bit as oppressive as hereditary privileges in Europe. They insisted that egalitarian individualism, including the sphere of political economy, was a necessary attribute for a republic.<sup>4</sup>

### **The Chronological Context of the Trade Policy Debate**

The impact of special economic interests, in sharp contrast to the slowly evolving but continuous articulation of trade policy ideas, was the consequence of a dynamic and ever-changing economic environment. The First Industrial Revolution significantly altered the economic character of the United States. At the founding in 1789, the nation was almost exclusively engaged in agriculture and commerce. By 1860, manufacturing was an integral feature of the economy throughout the nation. As industrialization spread and developed, the motivations of politicians and their constituents shifted, correlating to the changing economic circumstances that confronted them.

At the Founding, the United States was a fragile political experiment situated in a hostile world. The new nation was economically and militarily weak. It was over-reliant

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<sup>4</sup> These positions trace to the Founding. See 1789 nationalist comments by Thomas Fitzsimons (PA), 1 *Annals of Cong.* 110 (1789). See 1788 free trade comments by Robert Yates (NY), Bruce Frohnen, ed., *The Anti-Federalists*, 372; and John Nicholson (PA), Cornell, *The Other Founders*, 83, 94.

on Great Britain for most of its imports and exports, and as Jay's Treaty illustrated, the British were comfortable dictating policy to the upstart Americans.

In this environment, American trade policy was perpetually reactionary, as much stronger European nations oftentimes sought to intimidate the United States. Circumstances caused Thomas Jefferson and James Madison to engage in economic warfare with Great Britain and France. Both presidents, staunch economic liberals, oddly used the means of trade restrictions in pursuit of the ends of free trade. They incorrectly concluded that trade was a potent weapon that the United States could use to achieve diplomatic goals.<sup>5</sup>

The Jeffersonian Experiment was an unmitigated disaster. It drew the United States into a war where American military forces were humiliated. In the wake of the War of 1812, Jefferson, Madison, and a great majority of Americans concluded that economic nationalism was essential for national survival. Not only did Jefferson and Madison convert, but prominent members of the next generation, including John Calhoun, rabidly supported a nationalist policy. As the Federalist Party died out, only John Randolph, Nathaniel Macon, and their small band of Quid republican maintained a free trade position.

The nationalist consensus in the immediate post-war period was built upon an intellectual foundation embodied in the Dallas Report of 1816. The Dallas Report clearly laid out the principle that temporary protection was valid in the case of infant American industries, and that protection should be lifted at such point in time that American manufacturers became competitive in the international marketplace. Like Hamilton's earlier *Report on Manufactures*, Dallas doctrine focused on manufacturing and did not

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<sup>5</sup> Jefferson, *Writings*, 443-444; Madison, *Writings*, 685, 688.

propose protection for raw materials or non-manufacturing activities. The Tariffs of 1816 and 1818 were supported by a broad national coalition who subscribed to the tenets laid out in the Dallas Report.<sup>6</sup>

American industrialization began in earnest during the 1810s, in part influenced by the virtual halt in trade during the war years. Factory production on a large scale basis began as the United States imported intellectual capital in the form of technology from abroad and, combined with an abundant inventory of natural resources, began a “catch up” process with Great Britain and Europe. This initial industrial “takeoff” was centered in New England and the Atlantic states. The founding of Waltham and Lowell are prominent examples of early American application of financial, physical, and intellectual capital necessary for American industrialization.<sup>7</sup>

By 1820, however, Dallas doctrine was already under attack by the introduction of what eventually became Henry Clay’s American System, a far more ambitious and comprehensive blueprint for the American catch up process. The American System went far beyond the Dallas Report and embraced long-term, or even permanent, tariff protection. Although the Tariff of 1820 was rejected, Clay succeeded in achieving his trade policy vision with the passage of the Tariff of 1824, which featured high tariff duties and targeted protection for certain key industries.

The passage of the Tariff of 1824 shattered the Dallas consensus. American industrialization was commencing in earnest in the northeastern portion of the nation at this time and manufacturing interests from the region enthusiastically supported the

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<sup>6</sup> Hamilton. *Report on Manufactures* (1790); Northrup and Turney, eds., *Encyclopedia of Tariffs and Trade*, 2:45-47; 14 *Annals of Cong.* 965, 1683 (1816).

<sup>7</sup> Ware, *Early New England Cotton Manufacture*, 70, 80, 301-302; 16 *Annals of Cong.* 2038, 2049, 2067, 2131 (1820).

American System. However, a number of Americans, and particularly Southerners, concluded that the system posed a threat to the Republic, and that Clay's policies bestowed economic privileges, wealth, and political power in the hands of a few at the expense of the many. Liberal notions of trade policy formed the intellectual foundation for resistance to the American System.<sup>8</sup>

The Tariff of Abominations in 1828, and its much higher tariff rates, intensified sectional tensions. Although Clay attempted to characterize the bill as a national benefit, at this stage of American industrial development the tariff generated winning and losing economic interests that closely aligned with geographical regions. Northeastern manufacturers, where industrial takeoff was underway, clearly benefitted, while Westerners and Southerners, who had not yet engaged in takeoff, realized few, if any, benefits.

The Nullification Crisis, prompted by passage of the Tariff of 1832, threatened to tear the nation apart. The crisis was instigated by South Carolina radicals who used the tariff as a proxy for arguing minority rights. The latent issue during the crisis, however, was slavery. Tensions were fortunately alleviated when Clay and Calhoun brokered the Compromise Tariff of 1833.

The tariff could only have been successfully used as a proxy test case for Southern minority rights, and a defense of slavery, between 1824 and 1833. It was during this time frame that American industrialization was largely confined to the Northeast. Trade policy, which had been a national issue in 1816, degenerated into a sectional squabble

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<sup>8</sup> See Clay's remarks in 1824 in support of nationalism, 18 *Annals of Cong.* 1549, 1559, 1974, 1977 (1824); The best critique was supplied by John Randolph, *Ibid.*, 2359-2361, 2372.

between regions where large scale industrialization had taken root and those where it had not.

American industrialization “took off” in the other regions of the country in the 1830s and continued through the remaining antebellum years. Suddenly, special economic interests arose in the South and West because of constituents who now had a stake in the industrialization process or had reason to believe they might possess an interest in the near future. Consequently, the tariff became less defined by a sectional paradigm and reverted back to being a national-based issue.<sup>9</sup>

The spread of industrialization throughout most of the United States changed the nature of the trade policy debate by the 1840s. The protectionist-oriented tariff acts in 1841 and 1842 featured a debate that was, again, national in scope. There were significant numbers of pro and anti-tariff votes scattered throughout the nation’s geographic regions. In 1846 and 1857, as American trade policy shifted towards a more liberal program, voting patterns remained largely national in nature. British repeal of the Corn Laws inspired free trade sentiments throughout all parts of the United States.<sup>10</sup>

It is apparent, in looking at the aforementioned periods, that the trade policy question was both complex and dynamic. Economic interests changed with the spread of

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<sup>9</sup> Refer to Tables 9.2, 9.3, and 9.4, as well as the statistical analysis summarized in Appendix QQ.

<sup>10</sup> Mark Bills published an article that, based upon a counterfactual methodology, concluded “eliminating the [American] tariff would have greatly reduced value added in the domestic industry as late as the 1830s,” Mark Bills, “Tariff Protection and Production in the Early U. S. Cotton Textile Industry,” *The Journal of Economic History* Volume 44, No. 4 (Dec, 1984): 1034. Bills’ contention, if valid, would help explain why American manufacturing interests aggressively pursued protection up to the late 1840s. It is also important to keep in mind that American industrialization created winners and losers even within industrialized sectors, largely because of technological advances. The Pennsylvania charcoal iron industry, an ever-present lobby group throughout the antebellum period, was eventually displaced by steel. Robert Fogel and Stanley Engerman note that “a continuation of the high tariffs of 1842 could not have prevented the relative decline of the charcoal sector ... the increased competition of foreign and domestic substitutes presented ... an enormous challenge. Between 1840 and 1858 over 200 charcoal-iron firms collapsed under this competitive pressure.” Robert W. Fogel and Stanley L. Engerman, “A Model for the Explanation of Industrial Expansion during the Nineteenth Century: With an Application to the American Iron Industry,” *The Journal of Political Economy* Volume 77, No. 3 (May-Jun, 1969): 328.



industrialization. Dueling ideas promoting either nationalism or free trade remained a constant element throughout the many tariff debates.

### **American Trade Policy as a Unique Issue**

This study illustrates that American trade policy was a unique political and economic issue between 1789 and 1860. While many variables influenced the discourse, industrialization in the long-term proved to be the most influential. The timing and location of American industrialization process dramatically changed the nature of the American economy between 1789 and 1860.

At the founding of the American Republic, there existed only two significant economic spheres, agriculture and commerce. Manufactures, stifled by British policy during the Colonial Era, represented a miniscule portion of the small national economy. American policy makers, surrounded by a world hostile to republicanism, were faced with a need to craft economic policy that balanced the ideals of the recent Revolution with the pragmatic goal of maintaining national sovereignty. This tension remained a consistent feature of all American trade policy debates from the Constitution to the Civil War.

American policy makers realized that in order for the United States to survive and thrive, the nation needed to become economically strong. This goal was likely to remain elusive if the United States failed to embrace the Industrial Revolution. Between 1789 and 1820, an economically and militarily weaker United States was constantly concerned with developments in Europe and their impact. British and French intimidation of American commerce, and the War of 1812, reminded Americans of their vulnerability. Consequently, foreign relations took on overriding importance during this period. Given

the circumstances, it is understandable that Southerners such as John Calhoun prioritized a nationalist view in 1816; it was a matter of national survival.<sup>11</sup>

Economic nationalists, believing that time was of the essence, argued that American industrialization must be accelerated through the use of governmental encouragement. This was at the heart of the tariff issue. They believed that high tariffs and protection would be the one sure policy to raise American manufactures to competitiveness with Europe. Alexander Hamilton stressed this point in his *Report on Manufactures*. Henry Clay continued this vision from the 1820s onward with his American System. Both Hamilton and Clay viewed trade policy from an international perspective, believing that the United States must, using the arm of government, embrace policies that would make the nation economically competitive with Europe as quickly as possible.<sup>12</sup>

Other Americans, however, viewed trade policy differently, concluding that a domestic perspective ought to take precedence over an international one. Their concern was that government-sponsored trade policy could not be successfully accomplished without creating economic favoritism, a result wholly incompatible with virtuous republicanism. Further, these policies would also inevitably lead to concentrations of economic wealth. Liberals such as John Taylor, John Randolph, and Nathaniel Macon warned their fellow citizens that if the nation allowed the creation of an economic aristocracy, the United States would be exposed to the same threats to liberty that hereditary aristocracy posed in Europe. They pointed to Great Britain's own experience during the Industrial Revolution, where capitalists exerted undue influence on Parliament and British trade policy. They also noted the social costs created by overcrowded cities

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<sup>11</sup> See Calhoun's comments in 1816, 14 Annals of Cong. 1331 (1816).

<sup>12</sup> James Buchanan (PA) presented a summation of American system principles in 1828, 6 Reg. Deb. 2092 (1828); Henry Clay also provided a description in 1832. 11 Reg. Deb. 281 (1832).

swarming with unskilled laborers. In their view, nationalist trade policy exposed the American experiment to failure from within, as industrialization and its negative effects would gradually corrupt core national values.<sup>13</sup>

The competing paradigms created by the nationalists and liberals centered around differing views of trade policy and equally differing intellectual solutions to what each side perceived to be the national challenge. Nationalists concluded that the danger was external and that the grant of economic favoritism to a few through protectionist policies created benefits that inured to all Americans. In contrast, liberals concluded that the primary danger was internal and insisted that any forms of economic favoritism represented a serious danger to the American republic.<sup>14</sup>

If the tariff is properly viewed as an intellectual offspring of the Enlightenment and a technological offspring of the Industrial Revolution, it becomes clear that trade policy was a unique issue between 1789 and 1860. The competing views of the nationalists and liberals were played out during this period through the development of ever more sophisticated ideas as well as through the political influence generated by changing

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<sup>13</sup> An example is provided by Samuel Foot (CT) in the 1824 debates, 18 *Annals of Cong.* 2299 (1824). John Ashworth notes that Democrats “viewed the tariff as yet another device by which the few sought to employ government for their own benefit and at the expense of the rest of the community,” Ashworth, *Coming of the Civil War*, 196.

<sup>14</sup> Historian James L. Huston summarizes the dichotomy between nationalists and liberals when he notes that for nationalists “The germ of the notion of self-sacrifice for the public interest can be found within this earliest framework of protectionism ... [Tench] Coxe knew that raising prices of foreign goods by an impost (tariff) deprived individuals of freely choosing their purchases ... but the general welfare ... required that a manufacturing capacity in the United States be established ... enthusiasm for the free choice of goods had to be subordinated to the broader interest of a strong and economically healthy republic.” In contrast, liberals believed “property rights were sacrosanct and individualism was more vital to American life than any general welfare,” see Huston, “Virtue Besieged: Virtue, Equality, and the General Welfare in the Tariff Debates of the 1820s,” *Journal of the Early Republic* Volume 14, No. 4 (Winter, 1994): 527, 533-534; See also Marc W. Kruman’s comments that exemplify the period of the Second Party System when he states that “Whigs relinquished Republican fears of commerce; Democrats denounced commerce separated from productive labor,” Kruman, “The Second American Party System and the Transformation of Revolutionary Republicanism,” *Journal of the Early Republic* Volume 12 (Winter 1992): 528.

special interest economic groups. Both ideas and interests evolved and changed during these years, explaining the constantly shifting fortunes of nationalists and free traders.

Ultimately, the tariff deserves unique consideration on its own merit because trade policy did not run parallel with the other two great American antebellum issues of slavery and state rights. Admittedly, the tariff issue intersected with slavery and minority rights (argued at the time as state rights) during the period from 1824 to 1833. However, this brief period of time was an anomaly. Once the industrialization process proceeded in earnest beyond the northeastern part of the country, trade policy quickly resumed its unique character.

### **Great Britain's Influence**

Great Britain's impact on American trade policy throughout the period cannot be overstated. Its influence followed the twin themes of interests and ideas. From 1789 through the late 1820s, Britain's actions to bolster her own national economic interests constantly influenced American trade policy, which most often consisted of reactive American measures. By the late 1820s and early 1830s, as American political and economic stability became more entrenched, it was British ideas that more forcefully influenced the American trade policy discourse.

The fact that the American nation traced its political and cultural heritage back to Great Britain made it highly likely that British ideas and practices would influence American policy makers. Americans avidly read the works of British political economists such as Adam Smith, David Ricardo, Thomas Malthus, and John Stuart Mill. American classical liberal arguments for free trade often quoted British intellectuals.

From the time of the Revolution through 1846, British trade policy in practice was far different from what her most famous political economists preached. Great Britain had become the most powerful nation in the world in the eighteenth and nineteenth centuries, and many British and foreign political leaders attributed the rise in part to Britain's closed economic system that featured high tariff barriers. As a result, while American free traders pointed to British intellectuals, American nationalists looked instead to British politicians.<sup>15</sup>

The British inconsistency between rhetoric and practice contributed to complicate the American search for an appropriate policy. Although American politicians were reluctant to praise Great Britain in the post-Revolutionary era, it is clear from numerous examples in the tariff debates that Americans had deep respect for Britain's intellectual contributions and economic success. The fact that both nationalists and free traders could point to British sources for their ideas legitimized their respective positions.

The British conundrum was resolved in 1846, when the British Parliament repealed the Corn Laws. Suddenly, British economic teaching and practice were aligned. It was clear that American legislators were swayed by Britain's actions, and the repeal positively influenced passage of the Walker Tariff.<sup>16</sup>

Great Britain's influence on American trade policy was significant throughout the period between independence and civil war. It is no coincidence that the high points of American economic nationalism came to pass when the perceived economic and military threat from Great Britain was at its highest. Further, the onset of a free trade American

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<sup>15</sup> Examples of nationalist interpretations are found in 1828 with comments by Alexander Stewart (PA), 6 Reg. Deb. 2230 (1828), and James Strong (NY), 2271,2273; in the same congressional session, Churchill Cambreleng summarized the free trade position, 2370.

<sup>16</sup> See comments by representative Seaborn Jones (GA) in 1846, Cong. Globe, 29th Cong., 1st Sess. 990 (1846).

policy from 1846 on occurred at a time when American industrialization had matured to the point of being internationally competitive and when Britain's own trade policy changed.

### **Rostow, Gerschenkron, and Industrialization**

The two foremost twentieth-century American authors to consider the impact of industrialization on developing countries were Walt Whitman Rostow and Alexander Gerschenkron. Rostow authored *The Stages of Economic Growth* in 1960 and Gerschenkron *Economic Backwardness in Historical Perspective* in 1962. Both authors attempted to explain the industrialization process in twentieth century third world nations, but many of their key concepts are useful in explaining the impact of the First Industrial Revolution on the United States.

The takeoff concept is helpful in explaining what occurred within the United States as industrialization began in the Northeast before spreading to other parts of the nation. Rostow alluded to the sectional nature of the American industrialization experience when he noted in *The Stages of Economic Growth* that the American South did not experience takeoff until the twentieth century. This study concludes that Rostow's assessment of the timing of the Southern takeoff should be reconsidered in light of the evidence. The South experienced takeoff during the 1840s and 1850s. Unfortunately, the Civil War virtually destroyed all of the South's industrial capacity and infrastructure, and the South was economically thrown back into a pre-takeoff position. It would not achieve takeoff again for nearly a century.<sup>17</sup>

Gerschenkron's intellectual contributions likewise help in explaining why, once takeoff was achieved in the United States outside of the Northeast, political support for

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<sup>17</sup> Rostow, *Stages of Economic Growth*, 38, 67.

economic nationalism was now possible in all parts of the nation. His most important concept from *Economic Backwardness* is that of “catch up,” where he maintained that, with appropriate governmental assistance, backward countries could close the industrial development gap with more developed nations. By the 1840s and 1850s, the American South had access to the technological intellectual capital that was already present in the Northeast. It would be logical for Southern industrial special interests to support governmental assistance in the form of higher tariffs and improved infrastructure to accelerate the catch up process.<sup>18</sup>

By the 1840s the American South and West possessed the technical knowledge, financial capital, labor pool, and natural resources necessary to industrialize. Both Rostow and Gerschenkron supply economic theories that help explain that it was a natural evolution that industrialization would eventually spread throughout the United States. Once “takeoff” occurred, it was also logical that localized special economic interests would use the political process to “catch up” their own industrialization process with more mature regions, such as New England and the Atlantic States.<sup>19</sup>

### **Sectionalism, Slavery, and States Rights**

The United States, from the moment of its founding, confronted significant issues that created political tensions between different regions. Slavery was always the foremost among them. The Constitutional Convention delicately handled the fractious slavery issue by means of the three-fifths compromise. Slavery remained politically dormant for

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<sup>18</sup> Gerschenkron, *Economic Backwardness*, 31-38, 52-71.

<sup>19</sup> Many historians have focused on a side by side comparison between the industrial output of the North and the South in order to argue that the South was not receptive to industrialization. They fail to note or measure the growth rate of Southern industrialization from the 1830s on. Also, the Southern seaboard states industrialized before their western counterparts. By way of example, in 1860, six of the seven largest textile producing counties in the South were located in the Carolinas and Georgia, see Stephen J. Goldfarb, “A Note on Limits to the Growth of the Cotton-Textile Industry in the Old South,” *The Journal of Southern History* Volume 48, No. 4 (Nov, 1982): 556.

more than two decades, as foreign policy issues dominated the American national priorities from the 1790s through the end of the War of 1812. However, it returned to prominence in 1820 at the time of Missouri's admission to the Union.

Slavery dominated national politics from the time of the Missouri Compromise to the beginning of the Civil War. The demarcation lines were clear, pitting a free labor North against a slave-based South. This pattern had been in place at Philadelphia in 1787, and it remained consistently so through 1860.

The tariff issue, in contrast, never locked into a permanent geographical paradigm, though it briefly became so between 1824 and 1833.<sup>20</sup> Rather, it was a dynamic issue where regional preferences on the trade policy issue shifted over time, in large part shaped by the advance of the Industrial Revolution across the United States. When the Tariffs of 1824 and 1828 were passed, Southerners began to aggressively resist an economic policy that benefited Northern manufacturers to the economic detriment of Southerners. The Southern reaction took time to develop and wasn't a homogenous regional response. Finally, after passage of the Tariff of 1832, South Carolina independently challenged the tariff during the Nullification Crisis of 1832 and 1833.<sup>21</sup>

South Carolina invoked a state rights argument to legitimize nullification of the Tariff of 1832. The State's actions were based on precedence; the Virginia and Kentucky resolutions of 1798 and 1799 also claimed that nullification was a legitimate form of redress by a State. In similar fashion, the Hartford Convention of 1814 and 1815, while not directly addressing nullification doctrine, placed a list of grievances before Congress

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<sup>20</sup> Brian Schoen points out that the South was fractured on the tariff throughout the antebellum period to some degree. Some Southern economic interests were consistently pro-tariff throughout the antebellum period. Examples, which have been highlighted in previous chapters, include sugar, hemp, and rice, see Schoen, "The Burdens and Opportunities of Interdependence," in *The Old South's Modern Worlds*, 70, 78.

<sup>21</sup> See Robert Hayne's (SC) comments in 1832, 14 Reg. Deb. 81 (1832).



with a hint of secession as its foundation. South Carolina's joining of the tariff with state rights was, in reality, a political mask for the real issues of slavery and minority rights.<sup>22</sup>

Most contemporary scholars agree that slavery was a major contributing factor leading to the American Civil War. State rights and the tariff are also frequently cited. However, trade policy was not dominated by static, geography-based, relationships. The trade policy story, rather, was a slowly evolving process that paralleled industrial development in the United States.

The historical misinterpretation of the cause-effect relationship between the tariff and the Civil War is due to confusion about the dynamics at play in American politics between 1824 and 1833. This brief nine-year period has unfortunately been superimposed upon the much longer seventy-one years between Washington's inauguration and Lincoln's election. Properly understood, the period from 1824 to 1833 should instead be viewed as an anomaly.<sup>23</sup>

Between 1824 and 1833, the three issues of slavery, states rights, and the tariff became tightly intertwined in American politics. It is important, however, to consider the context in which these three issues intertwined with one another. The primary trigger was the Missouri Crisis in 1819 and 1820, which resurrected slavery tensions that had been relatively dormant since the Constitutional Convention. Slavery, after 1820, became, and

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<sup>22</sup> Calhoun, in the Exposition, makes his arguments on the grounds of minority rights. For an example, see Calhoun, *Selected Writings*, 270, 274. Historian William Freehling takes a similar position, stating that "Even in 1832-33, a Nullification Controversy ostensibly about only protective tariffs actually also involved slavery's future," see Freehling, *The Road to Disunion, Secessionists Triumphant: 1854-1861* (New York: Oxford University Press, 2007), 531.

<sup>23</sup> The emerging pattern at play that the tariff was a national issue before 1820 and would become so again later wasn't necessarily clear to contemporary observers. As keen an observer as Alexis de Tocqueville concluded that after the War of 1812, "Americans thought fit to establish a system of import duties, for the ... purpose of protecting their incipient manufactures ... The Southern States, which have no manufactures to encourage ... soon complained of the measure," see Tocqueville, *Democracy in America*, ed. Bruce Frohnen (Washington, D.C.: Regnery Publishing, Inc., 2002), 323.

remained, the primary cause of sectional tensions. What were the conditions causing this alignment of these three great issues? An important contributing factor was American industrialization. The American experience, consistent with Rostow's views of a "takeoff" pattern, initially concentrated in New England and the Atlantic states. This, in turn, caused a regional alignment regarding trade policy debates that temporarily coincided with the slavery issue between 1824 and 1833. During this time frame, Southerners viewed the nationalist approach to trade policy as a one-sided affair, beneficial to the North and punitive to the South. However, by the late 1830s the trade policy map changed because the Industrial Revolution expanded into western and southern areas.<sup>24</sup>

The unique circumstances during that particular moment in time made it possible for the tariff issue to briefly proxy for the Slavery issue. Slavery, after the Missouri Crisis, was a source of constant regional tension throughout the 1820s and 1830s. The tariff issue, because of the timing of regional takeoffs, momentarily aligned geographically with the slavery issue, providing the "means" for South Carolina's political battle during the Nullification Crisis of 1833. The "ends" of the crisis centered upon protecting minority rights and the future of the institution of Slavery.

John Calhoun was the mastermind who succeeded in tying slavery, states rights, and the tariff together. As William Freehling noted, Calhoun responded to the immediate issue of the tariff by calling a "minority veto necessary because the permanent majority

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<sup>24</sup> Refer to Tables 9.2, 9.3, and 9.4. Marc Egnal points out that the rise of Southern industrialization created tensions in Southern views on the tariff. He notes that "Joseph Anderson [replaced] white workers with slaves after a strike in 1847 closed his foundry. In the 1850s, strikes in Baltimore, St. Louis, Louisville, and New Orleans exacerbated planter concerns about white laborers." However, as James H. Hammond stated, "whenever a slave is made a mechanic, he is more than half freed." These two facts caused planters to fear "that Southern manufacturers might join the crusade for higher tariffs and challenge one of slave society's fundamental tenets: free trade," Egnal, "What if Genovese is Right?" *The Old South's Modern Worlds*, 275.

would never lower the tariff.” But the real issue was deeper; Freehling further noted that Calhoun “sought to stop some future northern majority from abolishing slavery by giving the Southern minority power to veto Yankee fanaticism.”<sup>25</sup>

Calhoun’s successful linkage of the three issues was exceptionally brief. This is clearly proven by the fact that the tariff would never again be linked in any appreciable manner to either states rights or slavery during the next quarter-century. The three major succeeding trade policy initiatives, in 1841-42, 1846, and 1857, failed to produce the same geographical roll call patterns that had characterized the 1824 to 1832 period.

Up to 1824, trade policy was still a national issue, and distinct from the domestic issues of slavery and state rights. It was tightly associated with foreign policy, and American trade policy was more often guided by reactions to British and French diplomacy than domestic influences. After 1833, the association of the tariff to slavery and state rights swiftly waned. This was due to the fact that the Industrial Revolution in the United States expanded beyond its New England origins to other parts of the country. By 1842, economic special interests were present in all parts of the United States in favor of economic nationalism, and the roll call votes in 1841 and 1842 demonstrate this fact. The later tariffs of 1846 and 1857, impacted by the repeal of the British Corn laws, demonstrate that free traders were also well represented in all sections of the country during the post-1833 period.

### **The Dynamic Nature of the Trade Policy Debate**

A significant piece of circumstantial evidence that affirms the unique nature of the trade policy debates is the sheer number of influential and intellectual politicians who changed their views on trade policy over the course of their careers. There are no parallel

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<sup>25</sup> Freehling, *The Road to Disunion: Secessionists at Bay*, 259, 278.

examples in the case of either slavery or state rights, where individual changes of political position were virtually non-existent. Although numerous men consistently maintained their trade policy position over an entire career, including economic nationalists such as Alexander Hamilton and Henry Clay, and classical liberals such as John Randolph and Nathaniel Macon, there were many significant individuals who migrated from one point of view to the other. In many instances, these men were at the forefront of the debate.

The most notable examples of this are the two-thirds of the “Great Triumvirate” who shifted their views on trade policy over time. John Calhoun was a leading advocate for the Tariff of 1816, yet his later career was spent being a major critic of nationalist trade policy. Daniel Webster’s experience was opposite. He began his political career advocating free trade on behalf of Massachusetts based merchant interests. As the Industrial Revolution progresses throughout New England, Webster changed his position to coincide with the changing interests of his constituents.<sup>26</sup>

The responsibilities of the American presidency also impacted the manner in which chief executives viewed trade policy. Thomas Jefferson and James Madison offer two examples of the challenges that the United States faced during its first tenuous decades of existence. Both men were early supporters of laissez-faire trade policy. Madison was the most vocal advocate for free trade during the initial tariff debates of 1789. Yet, burdened by the responsibilities of subordinating their parochial views on the issue to national interests, both men initiated policies that were more consistent with economic nationalism. Jefferson, reacting to the precarious American economic position resulting

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<sup>26</sup> Note Webster’s comments in 1824 against the tariff, 18 Annals of Cong. 2035 (1824), as compared to his 1828 comments in support, 5 Reg. Deb. 751-752, 759 (1828).

from the Napoleonic wars, implemented policies that were the antithesis of free trade when he restricted, and then cut off, American trade with the British and the French. Jefferson openly acknowledged later in life that his personal views on trade gradually shifted, undoubtedly influenced by his own experiences as president. James Madison reached his epiphany moment in the wake of American economic and military weakness during the War of 1812. He became a strong proponent of both the Tariffs of 1816 and 1818, a sharp departure from his earlier views.<sup>27</sup>

Several other prominent politicians also shifted their stance on trade policy over time. The most notable of these was Silas Wright of New York. Wright was a primary architect of the infamous Tariff of Abominations in 1828, yet was also one of the leading critics of the Tariffs of 1841 and 1842. Richard Mentor Johnson, when running for Vice-President in 1836, felt a need to explain his conversion from economic nationalism to free trade. He admitted in a letter that:

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<sup>27</sup> Consider Madison's comments in 1789, 1 *Annals of Cong.* 116 (1789), and compare to later thoughts after the War, Madison, *Writings*, 715-716; Likewise, see Jefferson's early thoughts, Jefferson, *Notes on the State of Virginia*, 165, and compare to later thoughts, Jefferson, *Writings*, 1370-1371.

In relation to the Tariff my views appear also not to be understood. At the close of the last war, a general sentiment seemed to prevail among our eminent Statesmen, especially those who supported the Government in that conflict, that it was the true policy of the Republic so to regulate the Tariff, as to promote the establishment of manufactories within our borders. In this opinion, many of the Statesmen of the South, united with those of the middle States & western States. Without being distinguished as a peculiar advocate of the cause of legislation, which grew up under these circumstances, I gave it my support in pursuance of public opinion. As soon, however, as I perceived the dangers which were likely to grow out of this species of legislation pushed to excess, I became an advocate for a reduction of the Tariff and voted for every proposition having that end in view down to & including the compromise, which was made at the session of 1832.<sup>3</sup> That compromise ought to be considered by all good citizens as putting an end to the question. No prudent & patriotic man will, I am sure, ever attempt a renewal of that species of legislation ... it is no longer necessary as a measure of policy to support infant manufactories brought into existence by a state of war ... The preservation of the union & the harmony of its members is incomparably more important than any system of legislation which regards only the pecuniary interests of a portion of the people.<sup>28</sup>

Other examples of notable American statesmen who shifted on the tariff issue at one time or another include William Lowndes of South Carolina, Thomas Hart Benton of Missouri, and Willie Mangum of North Carolina.<sup>29</sup>

The fact that so many American politicians, from all parts of the country, shifted their stance on the tariff issue demonstrates the dynamic nature of the trade policy issue. Even economists struggled with the issue. Henry Carey, who established himself as a free trader in the 1830s, shifted his own stance in the 1850s, aligning himself with the nationalist movement that his father had been so instrumental in supporting.<sup>30</sup> These various shifts were not random events. Rather, they were responses to a world of ideas

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<sup>28</sup> Richard M. Johnson to Franklin Blair, 25 June 1835, Filson Historical Society special collections, Louisville, Kentucky.

<sup>29</sup> For Lowndes, see Belz, ed., *Webster-Hayne Debate*, 159. Benton and Wright both voted for the Tariff of 1828, but opposed the Tariffs of 1841 and 1842. Mangum voted against the Tariff of 1828, but supported the Whig tariffs initiative in 1841 and 1842.

<sup>30</sup> Carey's transition to protection was complete by 1852 with the publication of *The Harmony of Interests*, which firmly endorsed economic nationalism.

and economic interests that was in a constant state of change. It should be noted, however, that these shifts became less frequent from the 1830s onward. The introduction of the American System in the 1820s established a clear demarcation of the tariff issue between protectionists and free traders, and ultimately contributed to creating the Second Party System. By the 1830s, Whigs and Democrats crafted clear ideological and policy stances on trade policy.

### **Final Thoughts**

Ultimately, the tariff debates served as a proxy for a larger debate regarding the structure of national political economy within a republican setting. Early American political leaders grappled with establishing wise policy in the face of conflicting theories and a confusing variety of experiences during the nation's first seventy years. The consequences of the European embargoes and the Panics of 1819 and 1837 all served to render conclusive answers elusive. If the antebellum tariff debates really amounted to a competition over republican ideals, the popular interpretation that economic issues were a major cause of the Civil War can be opened to question.

Slavery and state rights contributed towards sectional tensions, but tariffs did not. It can be said that the tariff issue pitted brother against brother, exemplified in the 1842 debates in Congress by brothers Joseph and Charles Ingersoll of Pennsylvania, who represented separate Philadelphia House districts in the 27<sup>th</sup> Congress. Joseph, a Whig, consistently voted in favor of the tariff. Charles, who had befriended Friedrich List and spoke on the House floor on behalf of protectionism in 1842, nonetheless voted against each of the proposed tariff bills. Charles was a Democrat, and in the end his party affiliation trumped his economic sympathies. The Ingersoll brothers disagreed, but not

because of sectionalism, state rights, or slavery. Their respective party's competing ideas over economic policy determined their votes.

The Civil War began the process of resolving the thorny antebellum issues of slavery and state rights. Slavery was abolished by the Thirteenth Amendment. States rights ceased to be an important element of the American political landscape after 1865 and through the twentieth century. Trade policy, however, remains an important and vibrant political issue to the present time.

If the Ingersoll brothers could be brought back to observe their nation in the twenty-first century, they would likely agree that the trade policy issue remains unresolved in our own time. Competing republican views of political economy, of protectionist-centered nationalism versus free trade liberalism, remain vibrant. Contemporary Americans grapple with the impact of regional trade agreements and globalization upon the national economy. They are faced with fundamental shifts in economic spheres, as less Americans engage in manufactures and agriculture because of fundamental shifts towards a service based economy premised on intellectual capital.

In the face of these complex and ever-changing developments, Americans wrestle with the same issues of reconciling the ideals of free trade to the pragmatic use of economic nationalism, of prioritizing the collective needs of the entire nation versus prioritizing individualism, in modern times. The debates that occurred between 1789 and 1860 serve as a reminder that American trade policy is inexorably linked to how our nation attempts to define republicanism even as our economy evolves. We would be wise to look back and observe how previous generations considered this important question in order to establish a well-considered response to the issue in our own day.



APPENDIX A: TARIFF OF 1789 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Pro-Administration</u>	<u>Anti-Administration</u>	<u>Total</u>
New England:			
Connecticut	4-1	0-0	4-1
Massachusetts	3-2	2-0	5-2
New Hampshire	1-0	1-0	2-0
Rhode Island	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>
Totals	8-3	3-0	11-3
Atlantic:			
Delaware	1-0	0-0	1-0
New Jersey	0-3	0-0	0-3
New York	3-1	2-0	5-1
Pennsylvania	<u>2-1</u>	<u>3-0</u>	<u>5-1</u>
Totals	6-5	5-0	11-5
Chesapeake:			
Maryland	5-0	0-0	5-0
Virginia	<u>2-0</u>	<u>7-0</u>	<u>9-0</u>
Totals	7-0	7-0	14-0
South:			
Georgia	0-0	2-0	2-0
North Carolina	0-0	0-0	0-0
South Carolina	<u>1-0</u>	<u>2-0</u>	<u>3-0</u>
Totals	1-0	4-0	5-0
Grand Totals	22-8	19-0	41-8

Source: 1 Annals of Cong. 380 (1789); There were no formal political parties during the Washington Administration. The source for Pro-administration and Anti-administration affiliations is Rudolph Bell, *Party and Faction in American Politics: The House of Representatives, 1789-1801*, (Westport Connecticut: Greenwood Press, 1973), 252-253.

Note: North Carolina and Rhode Island had not ratified the Constitution at the time of the vote on the Tariff of 1789.

APPENDIX B: TARIFF OF 1790 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Pro-Administration</u>	<u>Anti-Administration</u>	<u>Total</u>
New England:			
Connecticut	3-2	0-0	3-2
Massachusetts	0-4	0-2	0-6
New Hampshire	1-1	1-0	2-1
Rhode Island	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>
Totals	4-7	1-2	5-9
Atlantic:			
Delaware	1-0	0-0	1-0
New Jersey	2-0	0-0	2-0
New York	2-1	2-0	4-1
Pennsylvania	<u>4-0</u>	<u>3-0</u>	<u>7-0</u>
Totals	9-1	5-0	14-1
Chesapeake:			
Maryland	3-2	0-0	3-2
Virginia	<u>1-0</u>	<u>6-0</u>	<u>7-0</u>
Totals	4-2	6-0	10-2
South:			
Georgia	0-0	3-0	3-0
North Carolina	2-0	3-0	5-0
South Carolina	<u>0-1</u>	<u>2-0</u>	<u>2-1</u>
Totals	2-1	8-0	10-1
Grand Totals	19-11	20-2	39-13

Source: 2 Annals of Cong. 1741 (1790). There were no formal political parties during the Washington Administration. The source for Pro-administration and Anti-administration affiliations is Bell, *Party and Faction*, 252-253.

APPENDIX C: TARIFF OF 1792 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Pro-Administration</u>	<u>Anti-Administration</u>	<u>Total</u>
New England:			
Connecticut	4-0	0-0	4-0
Massachusetts	5-0	1-0	6-0
New Hampshire	1-1	1-0	2-1
Rhode Island	1-0	0-0	1-0
Vermont	<u>0-0</u>	<u>1-1</u>	<u>1-1</u>
Totals	11-1	3-1	14-2
Atlantic:			
Delaware	1-0	0-0	1-0
New Jersey	2-0	1-0	3-0
New York	4-0	0-2	4-2
Pennsylvania	<u>3-0</u>	<u>2-0</u>	<u>5-0</u>
Totals	10-0	3-2	13-2
Chesapeake:			
Maryland	2-1	1-2	3-3
Virginia	<u>1-1</u>	<u>2-4</u>	<u>3-5</u>
Totals	3-2	3-6	6-8
South:			
Georgia	0-0	0-2	0-2
North Carolina	1-2	0-2	1-4
South Carolina	<u>2-0</u>	<u>1-2</u>	<u>3-2</u>
Totals	3-2	1-6	4-8
Grand Totals	27-5	10-15	37-20

Source: 3 Annals of Cong. 572 (1792). There were no formal political parties during the Washington Administration. The source for Pro-administration and Anti-administration affiliations is Rudolph Bell, *Party and Faction*, 253-254.

APPENDIX D: NON-IMPORTATION ACT OF 1806 ROLL CALL BY  
STATE AND REGION, SENATE

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	0-0	0-2	0-2
Massachusetts	0-0	1-1	1-1
New Hampshire	1-0	0-1	1-1
Rhode Island	1-0	0-0	1-0
Vermont	<u>1-0</u>	<u>0-0</u>	<u>1-0</u>
Totals	3-0	1-4	4-4
Atlantic:			
Delaware	0-0	0-1	0-1
New Jersey	2-0	0-0	2-0
New York	2-0	0-0	2-0
Pennsylvania	<u>1-1</u>	<u>0-0</u>	<u>1-1</u>
Totals	5-1	0-1	5-2
West:			
Kentucky	1-1	0-0	1-1
Ohio	2-0	0-0	2-0
Tennessee	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	5-1	0-0	5-1
Chesapeake:			
Maryland	2-0	0-0	2-0
Virginia	<u>1-0</u>	<u>0-0</u>	<u>1-0</u>
Totals	3-0	0-0	3-0
South:			
Georgia	1-0	0-0	1-0
North Carolina	0-1	0-0	0-1
South Carolina	<u>1-1</u>	<u>0-0</u>	<u>1-1</u>
Totals	2-2	0-0	2-2
Grand Totals	18-4	1-5	19-9

Source: 15 Annals of Cong. 240 (1806).

APPENDIX E: NON-IMPORTATION ACT OF 1806 ROLL CALL BY  
STATE AND REGION, HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	0-0	0-7	0-7
Massachusetts	9-0	0-7	9-7
New Hampshire	0-0	0-5	0-5
Rhode Island	2-0	0-0	2-0
Vermont	<u>2-0</u>	<u>1-1</u>	<u>3-1</u>
Totals	13-0	1-20	14-20
Atlantic:			
Delaware	0-0	0-1	0-1
New Jersey	5-0	0-0	5-0
New York	13-1	0-1	13-2
Pennsylvania	<u>15-0</u>	<u>0-0</u>	<u>15-0</u>
Totals	33-1	0-2	33-3
West:			
Kentucky	4-1	0-0	4-1
Ohio	1-0	0-0	1-0
Tennessee	<u>3-0</u>	<u>0-0</u>	<u>3-0</u>
Totals	8-1	0-0	8-1
Chesapeake:			
Maryland	6-0	0-1	6-1
Virginia	<u>17-4</u>	<u>0-1</u>	<u>17-5</u>
Totals	23-4	0-2	23-6
South:			
Georgia	1-1	0-0	1-1
North Carolina	8-1	0-0	8-1
South Carolina	<u>6-0</u>	<u>0-0</u>	<u>6-0</u>
Totals	15-2	0-0	15-2
Grand Totals	92-8	1-24	93-32

Source: 15 Annals of Cong. 877-878 (1806).

APPENDIX F: EMBARGO ACT OF 1807 ROLL CALL BY  
STATE AND REGION, SENATE

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	0-0	0-2	0-2
Massachusetts	0-0	1-1	1-1
New Hampshire	2-0	0-0	2-0
Rhode Island	2-0	0-0	2-0
Vermont	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	6-0	1-3	7-3
Atlantic:			
Delaware	0-0	0-1	0-1
New Jersey	2-0	0-0	2-0
New York	2-0	0-0	2-0
Pennsylvania	<u>1-1</u>	<u>0-0</u>	<u>1-1</u>
Totals	5-1	0-1	5-2
West:			
Kentucky	2-0	0-0	2-0
Ohio	1-0	0-0	1-0
Tennessee	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	5-0	0-0	5-0
Chesapeake:			
Maryland	1-0	0-0	1-0
Virginia	<u>1-0</u>	<u>0-0</u>	<u>1-0</u>
Totals	2-0	0-0	2-0
South:			
Georgia	1-1	0-0	1-1
North Carolina	1-0	0-0	1-0
South Carolina	<u>1-0</u>	<u>0-0</u>	<u>1-0</u>
Totals	3-1	0-0	3-1
Grand Totals	21-2	1-4	22-6

Source: 17 Annals of Cong. 51 (1807).

APPENDIX G: EMBARGO ACT OF 1807 ROLL CALL BY  
STATE AND REGION, HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	0-0	0-7	0-7
Massachusetts	10-0	0-6	10-6
New Hampshire	5-0	0-0	5-0
Rhode Island	2-0	0-0	2-0
Vermont	<u>2-0</u>	<u>0-2</u>	<u>2-2</u>
Totals	19-0	0-15	19-15
Atlantic:			
Delaware	0-0	0-0	0-0
New Jersey	5-0	0-0	5-0
New York	7-4	0-2	7-6
Pennsylvania	<u>11-2</u>	<u>0-3</u>	<u>11-5</u>
Totals	23-6	0-5	23-11
West:			
Kentucky	4-2	0-0	4-2
Ohio	1-0	0-0	1-0
Tennessee	<u>3-0</u>	<u>0-0</u>	<u>3-0</u>
Totals	8-2	0-0	8-2
Chesapeake:			
Maryland	4-1	0-3	4-4
Virginia	<u>14-3</u>	<u>0-1</u>	<u>14-4</u>
Totals	18-4	0-4	18-8
South:			
Georgia	1-3	0-0	1-3
North Carolina	6-4	0-1	6-5
South Carolina	<u>7-0</u>	<u>0-0</u>	<u>7-0</u>
Totals	14-7	0-1	14-8
Grand Totals	82-19	0-25	82-44

Source: 17 Annals of Cong. 1221-1222 (1807).

APPENDIX H: NON-INTERCOURSE ACT OF 1809 ROLL CALL BY  
STATE AND REGION, SENATE

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	0-0	0-2	0-2
Massachusetts	0-0	0-2	0-2
New Hampshire	0-2	0-0	0-2
Rhode Island	2-0	0-0	2-0
Vermont	<u>1-0</u>	<u>0-0</u>	<u>1-0</u>
Totals	3-2	0-4	3-6
Atlantic:			
Delaware	0-0	0-2	0-2
New Jersey	2-0	0-0	2-0
New York	2-0	0-0	2-0
Pennsylvania	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	6-0	0-2	6-2
West:			
Kentucky	2-0	0-0	2-0
Ohio	2-0	0-0	2-0
Tennessee	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	6-0	0-0	6-0
Chesapeake:			
Maryland	1-1	0-0	1-1
Virginia	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	3-1	0-0	3-1
South:			
Georgia	1-1	0-0	1-1
North Carolina	1-1	0-0	1-1
South Carolina	<u>1-1</u>	<u>0-0</u>	<u>1-1</u>
Totals	3-3	0-0	3-3
Grand Totals	21-6	0-6	21-12

Source: 19 Annals of Cong. 436 (1809).



APPENDIX I: NON-INTERCOURSE ACT OF 1809 ROLL CALL BY  
STATE AND REGION, HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	0-0	0-6	0-6
Massachusetts	7-0	0-4	7-4
New Hampshire	3-1	0-0	3-1
Rhode Island	1-0	0-1	1-1
Vermont	<u>2-0</u>	<u>0-2</u>	<u>2-2</u>
Totals	13-1	0-13	13-14
Atlantic:			
Delaware	0-0	0-1	0-1
New Jersey	5-1	0-0	5-1
New York	13-1	0-2	13-3
Pennsylvania	<u>10-4</u>	<u>0-2</u>	<u>10-6</u>
Totals	28-6	0-5	28-11
West:			
Kentucky	5-1	0-0	5-1
Ohio	0-0	0-0	0-0
Tennessee	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	7-1	0-0	7-1
Chesapeake:			
Maryland	6-0	1-1	7-1
Virginia	<u>13-5</u>	<u>1-0</u>	<u>14-5</u>
Totals	19-5	2-1	21-6
South:			
Georgia	1-2	0-0	1-2
North Carolina	6-4	1-0	7-4
South Carolina	<u>4-2</u>	<u>0-0</u>	<u>4-2</u>
Totals	11-8	1-0	12-8
Grand Totals	78-21	3-19	81-40

Source: 19 Annals of Cong. 1541 (1809).

APPENDIX J: TARIFF OF 1816 ROLL CALL BY  
STATE AND REGION, SENATE

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	0-0	1-0	1-0
Massachusetts	1-0	0-1	1-1
New Hampshire	0-0	1-1	1-1
Rhode Island	0-0	1-0	1-0
Vermont	<u>1-0</u>	<u>1-0</u>	<u>2-0</u>
Totals	2-0	4-2	6-2
Atlantic:			
Delaware	0-0	2-0	2-0
New Jersey	2-0	0-0	2-0
New York	1-0	1-0	2-0
Pennsylvania	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	5-0	3-0	8-0
West:			
Kentucky	2-0	0-0	2-0
Louisiana	2-0	0-0	2-0
Ohio	2-0	0-0	2-0
Tennessee	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	8-0	0-0	8-0
Chesapeake:			
Maryland	0-0	0-2	0-2
Virginia	<u>1-0</u>	<u>0-1</u>	<u>1-1</u>
Totals	1-0	0-3	1-3
South:			
Georgia	1-0	0-0	1-0
North Carolina	0-2	0-0	0-2
South Carolina	<u>1-0</u>	<u>0-0</u>	<u>1-0</u>
Totals	2-2	0-0	2-2
Grand Totals	18-2	7-5	25-7

Source: 29 Annals of Cong. 331 (1816).

APPENDIX K: TARIFF OF 1816 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	0-0	2-2	2-2
Massachusetts	1-0	6-4	7-4
New Hampshire	0-0	1-3	1-3
Rhode Island	0-0	2-0	2-0
Vermont	<u>0-0</u>	<u>5-1</u>	<u>5-1</u>
Totals	1-0	16-10	17-10
Atlantic:			
Delaware	0-0	0-0	0-0
New Jersey	5-0	0-0	5-0
New York	16-1	4-1	20-2
Pennsylvania	<u>13-3</u>	<u>4-0</u>	<u>17-3</u>
Totals	34-4	8-1	42-5
West:			
Kentucky	6-1	0-0	6-1
Louisiana	0-1	0-0	0-1
Ohio	4-0	0-0	4-0
Tennessee	<u>3-2</u>	<u>0-0</u>	<u>3-2</u>
Totals	13-4	0-0	13-4
Chesapeake:			
Maryland	2-1	0-4	2-5
Virginia	<u>7-9</u>	<u>0-4</u>	<u>7-13</u>
Totals	9-10	0-8	9-18
South:			
Georgia	3-3	0-0	3-3
North Carolina	0-9	0-2	0-11
South Carolina	<u>4-2</u>	<u>0-1</u>	<u>4-3</u>
Totals	7-14	0-3	7-17
Grand Totals	64-32	24-22	88-54

Source: 29 Annals of Cong. 1352 (1816).

APPENDIX L: TARIFF OF 1818 (IRON BILL) ROLL CALL BY  
STATE AND REGION, HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	0-0	2-4	2-4
Massachusetts	2-3	3-4	5-7
New Hampshire	2-3	0-0	2-3
Rhode Island	0-0	1-0	1-0
Vermont	<u>6-0</u>	<u>0-0</u>	<u>6-0</u>
Totals	10-6	6-8	16-14
Atlantic:			
Delaware	1-0	0-0	1-0
New Jersey	6-0	0-0	6-0
New York	19-0	1-0	20-0
Pennsylvania	<u>17-0</u>	<u>3-0</u>	<u>20-0</u>
Totals	43-0	4-0	47-0
West:			
Indiana	1-0	0-0	1-0
Kentucky	4-2	0-0	4-2
Louisiana	0-1	0-0	0-1
Mississippi	0-1	0-0	0-1
Ohio	6-0	0-0	6-0
Tennessee	<u>0-5</u>	<u>0-0</u>	<u>0-5</u>
Totals	11-9	0-0	11-9
Chesapeake:			
Maryland	3-1	0-3	3-4
Virginia	<u>2-12</u>	<u>3-0</u>	<u>5-12</u>
Totals	5-13	3-3	8-16
South:			
Georgia	1-1	0-0	1-1
North Carolina	3-4	0-1	3-5
South Carolina	<u>2-2</u>	<u>0-0</u>	<u>2-2</u>
Totals	6-7	0-1	6-8
Grand Totals	75-35	13-12	88-47

Source: 32 Annals of Cong. 1740-1741 (1818).

APPENDIX M: TARIFF OF 1818 (EXTENSION) ROLL CALL BY  
STATE AND REGION, HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	0-0	7-0	7-0
Massachusetts	5-0	5-1	10-1
New Hampshire	5-0	0-0	5-0
Rhode Island	0-0	2-0	2-0
Vermont	<u>5-0</u>	<u>0-0</u>	<u>5-0</u>
Totals	15-0	14-1	29-1
Atlantic:			
Delaware	1-0	0-0	1-0
New Jersey	6-0	0-0	6-0
New York	21-0	3-1	24-1
Pennsylvania	<u>15-0</u>	<u>3-0</u>	<u>18-0</u>
Totals	43-0	6-1	49-1
West:			
Indiana	1-0	0-0	1-0
Kentucky	6-0	0-0	6-0
Louisiana	1-0	0-0	1-0
Mississippi	0-0	0-0	0-0
Ohio	5-1	0-0	5-1
Tennessee	<u>0-4</u>	<u>0-0</u>	<u>0-4</u>
Totals	13-5	0-0	13-5
Chesapeake:			
Maryland	3-1	0-2	3-3
Virginia	<u>3-8</u>	<u>0-3</u>	<u>3-11</u>
Totals	6-9	0-5	6-14
South:			
Georgia	4-1	0-0	4-1
North Carolina	2-7	0-2	2-9
South Carolina	<u>3-3</u>	<u>0-0</u>	<u>3-3</u>
Totals	9-11	0-2	9-13
Grand Totals	86-25	20-9	106-34

Source: 32 Annals of Cong. 1742-1743 (1818).

## APPENDIX N: TARIFF OF 1820 ROLL CALL BY STATE AND REGION, SENATE

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	1-0	1-0	2-0
Massachusetts	0-0	0-2	0-2
New Hampshire	1-1	0-0	1-1
Rhode Island	0-0	2-0	2-0
Vermont	<u>0-1</u>	<u>1-0</u>	<u>1-1</u>
Totals	2-2	4-2	6-4
Atlantic:			
Delaware	0-0	2-0	2-0
New Jersey	2-0	0-0	2-0
New York	1-0	1-0	2-0
Pennsylvania	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	5-0	3-0	8-0
Northwest:			
Illinois	1-1	0-0	1-1
Indiana	1-1	0-0	1-1
Ohio	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	4-2	0-0	4-2
Chesapeake:			
Maryland	0-1	0-0	0-1
Virginia	<u>0-2</u>	<u>0-0</u>	<u>0-2</u>
Totals	0-3	0-0	0-3
South:			
Georgia	0-2	0-0	0-2
North Carolina	0-2	0-0	0-2
South Carolina	<u>0-2</u>	<u>0-0</u>	<u>0-2</u>
Totals	0-6	0-0	0-6
Southwest			
Alabama	0-2	0-0	0-2
Kentucky	2-0	0-0	2-0
Louisiana	0-2	0-0	0-2
Mississippi	0-2	0-0	0-2
Tennessee	<u>1-1</u>	<u>0-0</u>	<u>1-1</u>
Totals	3-7	0-0	3-7
Grand Totals	14-20	7-2	21-22

Source: 35 Annals of Cong. 672 (1820).

APPENDIX O: TARIFF OF 1820 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Republican</u>	<u>Federalist</u>	<u>Total</u>
New England:			
Connecticut	4-1	1-0	5-1
Massachusetts	7-5	3-2	10-7
New Hampshire	0-5	0-0	0-5
Rhode Island	2-0	0-0	2-0
Vermont	<u>1-4</u>	<u>0-0</u>	<u>1-4</u>
Totals	14-15	4-2	18-17
Atlantic:			
Delaware	2-0	0-0	2-0
New Jersey	6-0	0-0	6-0
New York	19-0	6-0	25-0
Pennsylvania	<u>18-1</u>	<u>4-0</u>	<u>22-1</u>
Totals	45-1	10-0	55-1
Northwest:			
Illinois	1-0	0-0	1-0
Indiana	1-0	0-0	1-0
Ohio	<u>6-0</u>	<u>0-0</u>	<u>6-0</u>
Totals	8-0	0-0	8-0
Chesapeake:			
Maryland	2-4	0-3	2-7
Virginia	<u>1-16</u>	<u>0-2</u>	<u>1-18</u>
Totals	3-20	0-5	3-25
South:			
Georgia	0-6	0-0	0-6
North Carolina	1-9	0-3	1-12
South Carolina	<u>1-7</u>	<u>0-0</u>	<u>1-7</u>
Totals	2-22	0-3	2-25
Southwest:			
Alabama	0-0	0-0	0-0
Kentucky	4-3	0-0	4-3
Louisiana	0-1	0-0	0-1
Mississippi	0-1	0-0	0-1
Tennessee	<u>0-5</u>	<u>0-0</u>	<u>0-5</u>
Totals	4-10	0-0	4-10
Grand Totals	76-68	14-10	90-78

Source: 36 Annals of Cong. 2155-2156 (1820); note that although the *Annals* reported the House roll call vote as 91 to 78, only 90 aye votes are recorded.

## APPENDIX P: TARIFF OF 1824 ROLL CALL BY STATE AND REGION, SENATE

<u>State/Region</u>	<u>Adams</u>	<u>Crawford</u>	<u>Jackson</u>	<u>Totals</u>
New England:				
Connecticut	0-0	1-0	1-0	2-0
Maine	0-0	2-0	0-0	2-0
Massachusetts	0-2	0-0	0-0	0-2
New Hampshire	1-1	0-0	0-0	1-1
Rhode Island	0-0	2-0	0-0	2-0
Vermont	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	3-3	5-0	1-0	9-3
Atlantic:				
Delaware	0-2	0-0	0-0	0-2
New Jersey	1-0	1-0	0-0	2-0
New York	0-1	1-0	0-0	1-1
Pennsylvania	<u>0-0</u>	<u>1-0</u>	<u>1-0</u>	<u>2-0</u>
Totals	1-3	3-0	1-0	5-3
Northwest:				
Illinois	0-0	1-0	0-0	1-0
Indiana	1-0	1-0	0-0	2-0
Ohio	<u>1-0</u>	<u>1-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	2-0	3-0	0-0	5-0
Chesapeake:				
Maryland	0-0	0-1	0-0	0-1
Virginia	<u>0-0</u>	<u>0-2</u>	<u>0-0</u>	<u>0-2</u>
Totals	0-0	0-3	0-0	0-3
South:				
Georgia	0-0	0-2	0-0	0-2
North Carolina	0-0	0-2	0-0	0-2
South Carolina	<u>0-0</u>	<u>0-1</u>	<u>0-1</u>	<u>0-2</u>
Totals	0-0	0-5	0-1	0-6
Southwest				
Alabama	0-0	0-0	0-2	0-2
Kentucky	1-0	0-0	1-0	2-0
Louisiana	0-2	0-0	0-0	0-2
Mississippi	0-0	0-0	0-2	0-2
Missouri	1-0	0-0	1-0	2-0
Tennessee	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>	<u>2-0</u>
Totals	2-2	0-0	4-4	6-6
Grand Totals	8-8	11-8	6-5	25-21

Source: 41 Annals of Cong. 743-744 (1824)



APPENDIX Q: TARIFF OF 1824 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Adams</u>	<u>Crawford</u>	<u>Jackson</u>	<u>Total</u>
New England:				
Connecticut	5-1	0-0	0-0	5-1
Maine	1-6	0-0	0-0	1-6
Massachusetts	1-10	0-0	0-1	1-11
New Hampshire	1-5	0-0	0-0	1-5
Rhode Island	2-0	0-0	0-0	2-0
Vermont	<u>5-0</u>	<u>0-0</u>	<u>0-0</u>	<u>5-0</u>
Totals	15-22	0-0	0-1	15-23
Atlantic:				
Delaware	0-0	1-0	0-0	1-0
New Jersey	1-0	0-0	5-0	6-0
New York	17-1	7-7	2-0	26-8
Pennsylvania	<u>0-1</u>	<u>0-0</u>	<u>24-0</u>	<u>24-1</u>
Totals	18-2	8-7	31-0	57-9
Northwest:				
Illinois	1-0	0-0	0-0	1-0
Indiana	0-0	0-0	2-0	2-0
Ohio	<u>10-0</u>	<u>2-0</u>	<u>2-0</u>	<u>14-0</u>
Totals	11-0	2-0	4-0	17-0
Chesapeake:				
Maryland	1-4	0-1	2-1	3-6
Virginia	<u>0-1</u>	<u>0-20</u>	<u>1-0</u>	<u>1-21</u>
Totals	1-5	0-21	3-1	4-27
South:				
Georgia	0-0	0-7	0-0	0-7
North Carolina	0-1	0-10	0-2	0-13
South Carolina	<u>0-0</u>	<u>0-0</u>	<u>0-9</u>	<u>0-9</u>
Totals	0-1	0-17	0-11	0-29
Southwest:				
Alabama	0-0	0-0	0-3	0-3
Kentucky	7-0	0-0	4-0	11-0
Louisiana	0-2	0-0	0-1	0-3
Mississippi	0-0	0-0	0-1	0-1
Missouri	1-0	0-0	0-0	1-0
Tennessee	<u>0-0</u>	<u>0-0</u>	<u>2-7</u>	<u>2-7</u>
Totals	8-2	0-0	6-12	14-14
Grand Totals	53-32	10-45	44-25	107-102

Source: 42 Annals of Cong. 2429-2430 (1824).

APPENDIX R: WOOL TARIFF OF 1827 ROLL CALL BY  
STATE AND REGION, SENATE

<u>State/Region</u>	<u>Adams</u>	<u>Jackson</u>	<u>Total</u>
New England:			
Connecticut	0-0	1-0	1-0
Maine	1-0	1-0	2-0
Massachusetts	2-0	0-0	2-0
New Hampshire	1-0	1-0	2-0
Rhode Island	2-0	0-0	2-0
Vermont	<u>1-0</u>	<u>0-0</u>	<u>1-0</u>
Totals	7-0	3-0	10-0
Atlantic:			
Delaware	0-1	0-1	0-2
New Jersey	0-0	1-0	1-0
New York	1-0	0-0	1-0
Pennsylvania	<u>1-0</u>	<u>1-0</u>	<u>2-0</u>
Totals	2-1	2-1	4-2
Northwest:			
Illinois	1-0	0-1	1-1
Indiana	2-0	0-0	2-0
Ohio	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	5-0	0-1	5-1
Chesapeake:			
Maryland	0-1	0-1	0-2
Virginia	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	0-1	0-3	0-4
South:			
Georgia	0-0	0-2	0-2
North Carolina	0-0	0-2	0-2
South Carolina	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	0-0	0-6	0-6
Southwest			
Alabama	0-0	0-0	0-0
Kentucky	0-0	0-2	0-2
Louisiana	0-0	0-1	0-1
Mississippi	0-0	0-1	0-1
Missouri	1-0	0-1	1-1
Tennessee	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	1-0	0-7	1-7
Grand Totals	15-2	5-18	20-20

Source: 4 Reg. Deb. 496 (1827).

APPENDIX S: WOOL TARIFF OF 1827 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Adams</u>	<u>Jackson</u>	<u>Total</u>
New England:			
Connecticut	6-0	0-0	6-0
Maine	3-2	0-2	3-4
Massachusetts	12-0	0-1	12-1
New Hampshire	5-0	1-0	6-0
Rhode Island	2-0	0-0	2-0
Vermont	<u>4-0</u>	<u>1-0</u>	<u>5-0</u>
Totals	32-2	2-3	34-5
Atlantic:			
Delaware	0-0	0-1	0-1
New Jersey	3-0	3-0	6-0
New York	22-0	4-5	26-5
Pennsylvania	<u>5-1</u>	<u>13-6</u>	<u>18-7</u>
Totals	30-1	20-12	50-13
Northwest:			
Illinois	0-1	0-0	0-1
Indiana	1-1	0-1	1-2
Ohio	<u>12-0</u>	<u>1-1</u>	<u>13-1</u>
Totals	13-2	1-2	14-4
Chesapeake:			
Maryland	2-1	0-3	2-4
Virginia	<u>0-5</u>	<u>1-14</u>	<u>1-19</u>
Totals	2-6	1-17	3-23
South:			
Georgia	0-0	0-5	0-5
North Carolina	0-2	0-11	0-13
South Carolina	<u>0-0</u>	<u>0-9</u>	<u>1-7</u>
Totals	0-2	0-25	0-27
Southwest:			
Alabama	0-0	0-3	0-3
Kentucky	4-3	0-4	4-7
Louisiana	0-2	0-1	0-3
Mississippi	0-0	0-1	0-1
Missouri	1-0	0-0	1-0
Tennessee	<u>0-0</u>	<u>0-9</u>	<u>0-9</u>
Totals	5-5	0-18	5-23
Grand Totals	82-18	24-77	106-95

Source: 4 Reg. Deb. 1099 (1827).

## APPENDIX T: TARIFF OF 1828 ROLL CALL BY STATE AND REGION, SENATE

<u>State/Region</u>	<u>Adams</u>	<u>Jackson</u>	<u>Total</u>
New England:			
Connecticut	2-0	0-0	2-0
Maine	0-0	0-2	0-2
Massachusetts	1-1	0-0	1-1
New Hampshire	0-0	0-1	0-1
Rhode Island	1-1	0-0	1-1
Vermont	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	6-2	0-3	6-5
Atlantic:			
Delaware	0-0	2-0	2-0
New Jersey	1-0	1-0	2-0
New York	1-0	1-0	2-0
Pennsylvania	<u>1-0</u>	<u>1-0</u>	<u>2-0</u>
Totals	3-0	5-0	8-0
Northwest:			
Illinois	1-0	1-0	2-0
Indiana	2-0	0-0	2-0
Ohio	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	5-0	1-0	6-0
Chesapeake:			
Maryland	0-1	0-1	0-2
Virginia	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	0-1	0-3	0-4
South:			
Georgia	0-0	0-2	0-2
North Carolina	0-0	0-2	0-2
South Carolina	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	0-0	0-6	0-6
Southwest			
Alabama	0-0	0-2	0-2
Kentucky	0-0	2-0	2-0
Louisiana	1-1	0-0	1-1
Mississippi	0-0	0-2	0-2
Missouri	1-0	1-0	2-0
Tennessee	<u>0-0</u>	<u>1-1</u>	<u>1-1</u>
Totals	2-1	4-5	6-6
Grand Totals	16-4	10-17	26-21

Source: 5 Reg. Deb. 786 (1828).

APPENDIX U: TARIFF OF 1828 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Adams</u>	<u>Jackson</u>	<u>Total</u>
New England:			
Connecticut	4-2	0-0	4-2
Maine	0-4	0-3	0-7
Massachusetts	2-11	0-0	2-11
New Hampshire	3-2	1-0	4-2
Rhode Island	1-1	0-0	1-1
Vermont	<u>5-0</u>	<u>0-0</u>	<u>5-0</u>
Totals	15-20	1-3	16-23
Atlantic:			
Delaware	1-0	0-0	1-0
New Jersey	5-0	0-0	5-0
New York	14-0	13-6	27-6
Pennsylvania	<u>6-0</u>	<u>17-0</u>	<u>23-0</u>
Totals	26-0	30-6	56-6
Northwest:			
Illinois	0-0	1-0	1-0
Indiana	3-0	0-0	3-0
Ohio	<u>10-0</u>	<u>3-0</u>	<u>13-0</u>
Totals	13-0	4-0	17-0
Chesapeake:			
Maryland	1-3	0-2	1-5
Virginia	<u>3-4</u>	<u>0-11</u>	<u>3-15</u>
Totals	4-7	0-13	4-20
South:			
Georgia	0-0	0-7	0-7
North Carolina	0-4	0-9	0-13
South Carolina	<u>0-0</u>	<u>0-7</u>	<u>0-7</u>
Totals	0-4	0-23	0-27
Southwest:			
Alabama	0-0	0-3	0-3
Kentucky	4-0	8-0	12-0
Louisiana	0-2	0-1	0-3
Mississippi	0-0	0-1	0-1
Missouri	0-1	0-0	0-1
Tennessee	<u>0-0</u>	<u>0-9</u>	<u>0-9</u>
Totals	4-3	8-14	12-17
Grand Totals	62-34	43-59	105-93

Source: 6 Reg. Deb. 2471-2472 (1828); note that although the *Register* reported the House roll call vote as 105 to 94, only 93 nay votes are recorded.

## APPENDIX V: TARIFF OF 1832 ROLL CALL BY STATE AND REGION, SENATE

<u>State/Region</u>	<u>Jackson</u>	<u>Anti-Jackson</u>	<u>American</u>	<u>Know Nothing</u>	<u>Totals</u>
New England:					
Connecticut	0-0	2-0	0-0	0-0	2-0
Maine	0-0	2-0	0-0	0-0	2-0
Massachusetts	0-0	2-0	0-0	0-0	2-0
New Hampshire	1-0	1-0	0-0	0-0	2-0
Rhode Island	0-0	2-0	0-0	0-0	2-0
Vermont	<u>0-0</u>	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	1-0	11-0	0-0	0-0	12-0
Atlantic:					
Delaware	0-0	2-0	0-0	0-0	2-0
New Jersey	1-0	1-0	0-0	0-0	2-0
New York	2-0	0-0	0-0	0-0	2-0
Pennsylvania	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	5-0	3-0	0-0	0-0	8-0
Northwest:					
Illinois	1-1	0-0	0-0	0-0	1-1
Indiana	1-0	1-0	0-0	0-0	2-0
Ohio	<u>0-0</u>	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	2-1	3-0	0-0	0-0	5-1
Chesapeake:					
Maryland	1-0	1-0	0-0	0-0	2-0
Virginia	<u>0-2</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-2</u>
Totals	1-2	1-0	0-0	0-0	2-2
South:					
Georgia	0-2	0-0	0-0	0-0	0-2
North Carolina	0-2	0-0	0-0	0-0	0-2
South Carolina	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	0-4	0-0	0-0	0-2	0-6
Southwest					
Alabama	0-2	0-0	0-0	0-0	0-2
Kentucky	0-1	1-0	0-0	0-0	1-1
Louisiana	0-0	2-0	0-0	0-0	2-0
Mississippi	0-2	0-0	0-0	0-0	0-2
Missouri	2-0	0-0	0-0	0-0	2-0
Tennessee	<u>0-2</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-2</u>
Totals	2-7	3-0	0-0	0-0	5-7
Grand Totals	11-14	21-0	0-0	0-2	32-16

Source: 11 Reg. Deb. 1219 (1832)

APPENDIX W: TARIFF OF 1832 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Jackson</u>	<u>Anti-Jackson</u>	<u>American</u>	<u>Know Nothing</u>	<u>Totals</u>
New England:					
Connecticut	0-0	2-3	0-0	0-0	2-3
Maine	5-1	1-0	0-0	0-0	6-1
Massachusetts	0-0	4-8	0-0	0-0	4-8
New Hampshire	5-0	0-0	0-0	0-0	5-0
Rhode Island	0-0	0-2	0-0	0-0	0-2
Vermont	<u>0-0</u>	<u>0-2</u>	<u>0-1</u>	<u>0-0</u>	<u>0-3</u>
Totals	10-1	7-15	0-1	0-0	17-17
Atlantic:					
Delaware	0-0	0-1	0-0	0-0	0-1
New Jersey	0-0	3-3	0-0	0-0	3-3
New York	17-1	2-1	7-0	0-0	26-2
Pennsylvania	<u>13-4</u>	<u>0-2</u>	<u>1-6</u>	<u>0-0</u>	<u>14-12</u>
Totals	30-5	5-5	8-6	0-0	43-18
Northwest:					
Illinois	1-0	0-0	0-0	0-0	1-0
Indiana	3-0	0-0	0-0	0-0	3-0
Ohio	<u>6-0</u>	<u>7-0</u>	<u>0-0</u>	<u>0-0</u>	<u>13-0</u>
Totals	10-0	7-0	0-0	0-0	17-0
Chesapeake:					
Maryland	3-0	5-0	0-0	0-0	8-0
Virginia	<u>6-8</u>	<u>5-0</u>	<u>0-0</u>	<u>0-0</u>	<u>11-8</u>
Totals	9-8	10-0	0-0	0-0	19-8
South:					
Georgia	1-6	0-0	0-0	0-0	1-6
North Carolina	7-4	1-0	0-0	0-0	8-4
South Carolina	<u>3-2</u>	<u>0-0</u>	<u>0-0</u>	<u>0-4</u>	<u>3-6</u>
Totals	11-12	1-0	0-0	0-4	12-16
Southwest					
Alabama	2-1	0-0	0-0	0-0	2-1
Kentucky	5-3	4-0	0-0	0-0	9-3
Louisiana	1-0	0-2	0-0	0-0	1-2
Mississippi	1-0	0-0	0-0	0-0	1-0
Missouri	0-0	1-0	0-0	0-0	1-0
Tennessee	<u>8-0</u>	<u>1-0</u>	<u>0-0</u>	<u>0-0</u>	<u>9-0</u>
Totals	17-4	6-2	0-0	0-0	23-6
Grand Totals	67-10	36-22	8-7	0-4	131-65

Source: 13 Reg. Deb. 3830-3831 (1832); note that although the *Register* reported the House roll call vote as 132 to 65, only 131 aye votes are recorded.

APPENDIX X: DISTRIBUTION BILL OF 1832 ROLL CALL BY  
STATE AND REGION, SENATE

<u>State/Region</u>	<u>Jackson</u>	<u>Anti-Jackson</u>	<u>American</u>	<u>Know Nothing</u>	<u>Totals</u>
New England:					
Connecticut	0-0	2-0	0-0	0-0	2-0
Maine	0-0	2-0	0-0	0-0	2-0
Massachusetts	0-0	2-0	0-0	0-0	2-0
New Hampshire	0-1	1-0	0-0	0-0	1-1
Rhode Island	0-0	2-0	0-0	0-0	2-0
Vermont	<u>0-0</u>	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	0-1	11-0	0-0	0-0	11-1
Atlantic:					
Delaware	0-0	2-0	0-0	0-0	2-0
New Jersey	1-0	1-0	0-0	0-0	2-0
New York	1-1	0-0	0-0	0-0	1-1
Pennsylvania	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	4-1	3-0	0-0	0-0	7-1
Northwest:					
Illinois	0-2	0-0	0-0	0-0	0-2
Indiana	0-0	1-0	0-0	0-0	1-0
Ohio	<u>0-0</u>	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	0-2	3-0	0-0	0-0	3-2
Chesapeake:					
Maryland	0-1	1-0	0-0	0-0	1-1
Virginia	<u>0-2</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-2</u>
Totals	0-3	1-0	0-0	0-0	1-3
South:					
Georgia	0-2	0-0	0-0	0-0	0-2
North Carolina	0-2	0-0	0-0	0-0	0-2
South Carolina	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	0-4	0-0	0-0	0-2	0-6
Southwest					
Alabama	0-1	0-0	0-0	0-0	0-1
Kentucky	0-0	1-0	0-0	0-0	1-0
Louisiana	0-0	2-0	0-0	0-0	2-0
Mississippi	1-1	0-0	0-0	0-0	1-1
Missouri	0-1	0-0	0-0	0-0	0-1
Tennessee	<u>0-2</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-2</u>
Totals	1-5	3-0	0-0	0-0	4-5
Grand Totals	5-16	21-0	0-0	0-2	26-18

Source: 14 Reg. Deb. 1174 (1833).



APPENDIX Y: DISTRIBUTION BILL OF 1832 ROLL CALL BY STATE  
AND REGION, HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Jackson</u>	<u>Anti-Jackson</u>	<u>American</u>	<u>Know Nothing</u>	<u>Totals</u>
New England:					
Connecticut	0-0	3-0	0-0	0-0	3-0
Maine	1-2	1-0	0-0	0-0	2-2
Massachusetts	0-0	10-0	0-0	0-0	10-0
New Hampshire	0-0	0-0	0-0	0-0	0-0
Rhode Island	0-0	1-0	0-0	0-0	1-0
Vermont	<u>0-0</u>	<u>3-0</u>	<u>1-0</u>	<u>0-0</u>	<u>4-0</u>
Totals	1-2	18-0	1-0	0-0	20-2
Atlantic:					
Delaware	0-0	1-0	0-0	0-0	1-0
New Jersey	0-0	4-0	0-0	0-0	4-0
New York	7-3	3-0	5-0	0-0	15-3
Pennsylvania	<u>13-1</u>	<u>2-0</u>	<u>6-0</u>	<u>0-0</u>	<u>21-1</u>
Totals	20-4	10-0	11-0	0-0	41-4
Northwest:					
Illinois	0-1	0-0	0-0	0-0	0-1
Indiana	1-2	0-0	0-0	0-0	1-2
Ohio	<u>5-0</u>	<u>7-0</u>	<u>0-0</u>	<u>0-0</u>	<u>12-0</u>
Totals	6-3	7-0	0-0	0-0	13-3
Chesapeake:					
Maryland	0-2	3-0	0-0	0-0	3-2
Virginia	<u>2-9</u>	<u>3-0</u>	<u>0-0</u>	<u>0-0</u>	<u>5-9</u>
Totals	2-11	6-0	0-0	0-0	8-11
South:					
Georgia	0-1	0-0	0-0	0-0	0-1
North Carolina	2-3	1-0	0-0	0-0	3-3
South Carolina	<u>0-1</u>	<u>0-0</u>	<u>0-0</u>	<u>0-2</u>	<u>0-3</u>
Totals	2-5	1-0	0-0	0-2	3-7

Southwest					
Alabama	0-3	0-0	0-0	0-0	0-3
Kentucky	2-3	4-0	0-0	0-0	6-3
Louisiana	1-0	2-0	0-0	0-0	3-0
Mississippi	0-1	0-0	0-0	0-0	0-1
Missouri	0-0	0-1	0-0	0-0	0-1
Tennessee	<u>0-4</u>	<u>1-0</u>	<u>0-0</u>	<u>0-0</u>	<u>1-4</u>
Totals	3-11	7-1	0-0	0-0	10-12
Grand Totals	34-36	49-1	12-0	0-2	95-39

Source: 15 Reg. Deb. 1920-1921 (1833); note that although the *Register* reported the House roll call vote as 96 to 40, only 95 aye and 39 nay votes are recorded.

## APPENDIX Z: TARIFF OF 1833 ROLL CALL BY STATE AND REGION, SENATE

<u>State/Region</u>	<u>Jackson</u>	<u>Anti-Jackson</u>	<u>American</u>	<u>Know Nothing</u>	<u>Totals</u>
New England:					
Connecticut	0-0	2-0	0-0	0-0	2-0
Maine	0-0	2-0	0-0	0-0	2-0
Massachusetts	0-0	0-2	0-0	0-0	0-2
New Hampshire	1-0	1-0	0-0	0-0	2-0
Rhode Island	0-0	0-2	0-0	0-0	0-2
Vermont	<u>0-0</u>	<u>0-2</u>	<u>0-0</u>	<u>0-0</u>	<u>0-2</u>
Totals	1-0	5-6	0-0	0-0	6-6
Atlantic:					
Delaware	0-0	2-0	0-0	0-0	2-0
New Jersey	0-1	1-0	0-0	0-0	1-1
New York	1-1	0-0	0-0	0-0	1-1
Pennsylvania	<u>0-2</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-2</u>
Totals	1-4	3-0	0-0	0-0	4-4
Northwest:					
Illinois	1-0	0-0	0-0	0-0	1-0
Indiana	0-1	0-1	0-0	0-0	0-2
Ohio	<u>0-0</u>	<u>1-1</u>	<u>0-0</u>	<u>0-0</u>	<u>1-1</u>
Totals	1-1	1-2	0-0	0-0	2-3
Chesapeake:					
Maryland	0-1	1-0	0-0	0-0	1-1
Virginia	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	2-1	1-0	0-0	0-0	3-1
South:					
Georgia	1-0	0-0	0-0	0-0	1-0
North Carolina	1-0	0-0	0-0	0-0	1-0
South Carolina	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>	<u>2-0</u>
Totals	2-0	0-0	0-0	2-0	4-0
Southwest					
Alabama	2-0	0-0	0-0	0-0	2-0
Kentucky	1-0	1-0	0-0	0-0	2-0
Louisiana	0-0	2-0	0-0	0-0	2-0
Mississippi	2-0	0-0	0-0	0-0	2-0
Missouri	0-2	0-0	0-0	0-0	0-2
Tennessee	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	7-2	3-0	0-0	0-0	10-2
Grand Totals	14-8	13-8	0-0	2-0	29-16

Source: 14 Reg. Deb. 808-809 (1833).

APPENDIX AA: TARIFF OF 1833 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Jackson</u>	<u>Anti-Jackson</u>	<u>American</u>	<u>Know Nothing</u>	<u>Totals</u>
New England:					
Connecticut	0-0	0-6	0-0	0-0	0-6
Maine	6-0	0-1	0-0	0-0	6-1
Massachusetts	0-0	0-13	0-0	0-0	0-13
New Hampshire	4-1	0-0	0-0	0-0	4-1
Rhode Island	0-0	0-2	0-0	0-0	0-2
Vermont	<u>0-0</u>	<u>0-3</u>	<u>0-2</u>	<u>0-0</u>	<u>0-5</u>
Totals	10-1	0-25	0-2	0-0	10-28
Atlantic:					
Delaware	0-0	0-1	0-0	0-0	0-1
New Jersey	0-0	0-6	0-0	0-0	0-6
New York	11-9	0-3	0-7	0-0	11-19
Pennsylvania	<u>4-13</u>	<u>0-2</u>	<u>0-6</u>	<u>0-0</u>	<u>4-21</u>
Totals	15-22	0-12	0-13	0-0	15-47
Northwest:					
Illinois	1-0	0-0	0-0	0-0	1-0
Indiana	2-1	0-0	0-0	0-0	2-1
Ohio	<u>3-3</u>	<u>4-3</u>	<u>0-0</u>	<u>0-0</u>	<u>7-6</u>
Totals	6-4	4-3	0-0	0-0	10-7
Chesapeake:					
Maryland	4-0	5-0	0-0	0-0	9-0
Virginia	<u>17-0</u>	<u>3-1</u>	<u>0-0</u>	<u>0-0</u>	<u>20-1</u>
Totals	21-0	8-1	0-0	0-0	29-1
South:					
Georgia	6-0	0-0	0-0	0-0	6-0
North Carolina	11-0	2-0	0-0	0-0	13-0
South Carolina	<u>5-0</u>	<u>0-0</u>	<u>0-0</u>	<u>4-0</u>	<u>9-0</u>
Totals	22-0	2-0	0-0	4-0	28-0
Southwest					
Alabama	3-0	0-0	0-0	0-0	3-0
Kentucky	8-0	4-0	0-0	0-0	12-0
Louisiana	1-0	2-0	0-0	0-0	3-0
Mississippi	1-0	0-0	0-0	0-0	1-0
Missouri	0-0	0-1	0-0	0-0	0-1
Tennessee	<u>8-0</u>	<u>0-1</u>	<u>0-0</u>	<u>0-0</u>	<u>8-1</u>
Totals	21-0	6-2	0-0	0-0	27-2
Grand Totals	95-27	20-43	0-15	4-0	119-85

Source: 15 Reg. Deb. 1810-1811 (1833).

## APPENDIX BB: TARIFF OF 1841 ROLL CALL BY STATE AND REGION, SENATE

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
New England:			
Connecticut	1-0	0-0	1-0
Maine	1-0	0-0	1-0
Massachusetts	2-0	0-0	2-0
New Hampshire	0-0	0-1	0-1
Rhode Island	2-0	0-0	2-0
Vermont	<u>1-0</u>	<u>0-0</u>	<u>1-0</u>
Totals	7-0	0-1	7-1
Atlantic:			
Delaware	2-0	0-0	2-0
New Jersey	2-0	0-0	2-0
New York	1-0	0-1	1-1
Pennsylvania	<u>0-0</u>	<u>2-0</u>	<u>2-0</u>
Totals	5-0	2-1	7-1
Northwest:			
Illinois	0-0	1-0	1-0
Indiana	2-0	0-0	2-0
Michigan	1-0	0-0	1-0
Ohio	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	3-0	1-2	4-2
Chesapeake:			
Maryland	1-0	0-0	1-0
Virginia	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	3-0	0-0	3-0
South:			
Georgia	1-0	0-1	1-1
North Carolina	2-0	0-0	2-0
South Carolina	<u>0-0</u>	<u>1-1</u>	<u>1-1</u>
Totals	3-0	1-2	4-2

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
Southwest			
Alabama	0-0	2-0	2-0
Arkansas	0-0	2-0	2-0
Kentucky	2-0	0-0	2-0
Louisiana	1-0	0-1	1-1
Mississippi	1-0	0-1	1-1
Missouri	0-0	0-2	0-2
Tennessee	<u>0-0</u>	<u>0-1</u>	<u>0-1</u>
Totals	4-0	4-5	8-5
Grand Totals	25-0	8-11	33-11

Source: Cong. Globe, 27<sup>th</sup> Cong., 1st Sess. 438 (1841).

APPENDIX CC: TARIFF OF 1841 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
New England:			
Connecticut	6-0	0-0	6-0
Maine	4-0	0-4	4-4
Massachusetts	7-3	0-1	7-4
New Hampshire	0-0	0-4	0-4
Rhode Island	2-0	0-0	2-0
Vermont	<u>3-2</u>	<u>0-0</u>	<u>3-2</u>
Totals	22-5	0-9	22-14
Atlantic:			
Delaware	1-0	0-0	1-0
New Jersey	6-0	0-0	6-0
New York	16-1	0-19	16-20
Pennsylvania	<u>9-3</u>	<u>0-14</u>	<u>9-17</u>
Totals	32-4	0-33	32-37
Northwest:			
Illinois	0-0	0-0	0-0
Indiana	5-1	0-1	5-2
Michigan	1-0	0-0	1-0
Ohio	<u>12-0</u>	<u>0-6</u>	<u>12-6</u>
Totals	18-1	0-7	18-8
Chesapeake:			
Maryland	4-0	0-1	4-1
Virginia	<u>7-4</u>	<u>0-8</u>	<u>7-12</u>
Totals	11-4	0-9	11-13
South:			
Georgia	7-1	0-0	7-1
North Carolina	7-0	0-5	7-5
South Carolina	<u>1-0</u>	<u>0-6</u>	<u>1-6</u>
Totals	15-1	0-11	15-12

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
Southwest:			
Alabama	0-0	0-5	0-5
Arkansas	0-0	0-1	0-1
Kentucky	8-1	0-2	8-3
Louisiana	2-0	0-1	2-1
Mississippi	0-0	0-0	0-0
Missouri	0-0	0-2	0-2
Tennessee	<u>8-0</u>	<u>0-5</u>	<u>8-5</u>
Totals	18-1	0-16	18-17
Grand Totals	116-16	0-85	116-101

Source: Cong. Globe, 27<sup>th</sup> Cong., 1st Sess. 274 (1841).



APPENDIX DD: DISTRIBUTION BILL OF 1841 ROLL CALL BY  
STATE AND REGION, SENATE

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
New England:			
Connecticut	1-0	0-1	1-1
Maine	1-0	0-1	1-1
Massachusetts	2-0	0-0	2-0
New Hampshire	0-0	0-2	0-2
Rhode Island	2-0	0-0	2-0
Vermont	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	8-0	0-4	8-4
Atlantic:			
Delaware	2-0	0-0	2-0
New Jersey	2-0	0-0	2-0
New York	1-0	0-1	1-1
Pennsylvania	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	5-0	0-3	5-3
Northwest:			
Illinois	0-0	0-2	0-2
Indiana	2-0	0-0	2-0
Michigan	2-0	0-0	2-0
Ohio	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	4-0	0-4	4-4
Chesapeake:			
Maryland	2-0	0-0	2-0
Virginia	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	4-0	0-0	4-0
South:			
Georgia	1-0	0-1	1-1
North Carolina	2-0	0-0	2-0
South Carolina	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	3-0	0-3	3-3

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
Southwest			
Alabama	0-0	0-2	0-2
Arkansas	0-0	0-2	0-2
Kentucky	2-0	0-0	2-0
Louisiana	1-0	0-1	1-1
Mississippi	1-0	0-1	1-1
Missouri	0-0	0-2	0-2
Tennessee	<u>0-0</u>	<u>0-1</u>	<u>0-1</u>
Totals	4-0	0-9	4-9
Grand Totals	28-0	0-23	28-23

Source: Cong. Globe, 27<sup>th</sup> Cong., 1st Sess. 388 (1841).

APPENDIX EE: DISTRIBUTION BILL OF 1841 ROLL CALL BY STATE AND  
REGION, HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
New England:			
Connecticut	6-0	0-0	6-0
Maine	4-0	0-4	4-4
Massachusetts	11-0	0-1	11-1
New Hampshire	0-0	0-5	0-5
Rhode Island	2-0	0-0	2-0
Vermont	<u>5-0</u>	<u>0-0</u>	<u>5-0</u>
Totals	28-0	0-10	28-10
Atlantic:			
Delaware	1-0	0-0	1-0
New Jersey	6-0	0-0	6-0
New York	18-0	0-20	18-20
Pennsylvania	<u>12-0</u>	<u>0-12</u>	<u>12-12</u>
Totals	37-0	0-32	37-32
Northwest:			
Illinois	0-0	0-0	0-0
Indiana	6-0	0-1	6-1
Michigan	0-0	0-0	0-0
Ohio	<u>12-0</u>	<u>0-7</u>	<u>12-7</u>
Totals	18-0	0-8	18-8
Chesapeake:			
Maryland	6-0	0-2	6-2
Virginia	<u>6-4</u>	<u>0-10</u>	<u>6-14</u>
Totals	12-4	0-12	12-16
South:			
Georgia	0-8	0-0	0-8
North Carolina	5-3	0-5	5-8
South Carolina	<u>0-1</u>	<u>0-8</u>	<u>0-9</u>
Totals	5-12	0-13	5-25

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
Southwest:			
Alabama	0-0	0-5	0-5
Arkansas	0-0	0-0	0-0
Kentucky	9-0	0-2	9-2
Louisiana	2-0	0-1	2-1
Mississippi	0-0	0-0	0-0
Missouri	0-0	0-2	0-2
Tennessee	<u>5-1</u>	<u>0-5</u>	<u>5-6</u>
Totals	16-1	0-15	16-16
Grand Totals	116-17	0-90	116-107

Source: Cong. Globe, 27<sup>th</sup> Cong., 1st Sess. 156 (1841).

APPENDIX FF: "LITTLE TARIFF" OF 1842 ROLL CALL BY  
STATE AND REGION, SENATE

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
New England:			
Connecticut	1-0	0-1	1-1
Maine	1-0	0-0	1-0
Massachusetts	2-0	0-0	2-0
New Hampshire	0-0	0-2	0-2
Rhode Island	1-0	0-0	1-0
Vermont	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	7-0	0-3	7-3
Atlantic:			
Delaware	2-0	0-0	2-0
New Jersey	1-0	0-0	1-0
New York	1-0	0-1	1-1
Pennsylvania	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	4-0	0-3	4-3
Northwest:			
Illinois	0-0	0-2	0-2
Indiana	2-0	0-0	2-0
Michigan	2-0	0-0	2-0
Ohio	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	4-0	0-4	4-4
Chesapeake:			
Maryland	1-0	0-0	1-0
Virginia	<u>1-1</u>	<u>0-0</u>	<u>1-1</u>
Totals	2-1	0-0	2-1
South:			
Georgia	0-1	0-1	0-2
North Carolina	2-0	0-0	2-0
South Carolina	<u>0-0</u>	<u>0-1</u>	<u>0-1</u>
Totals	2-1	0-2	2-3

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
Southwest			
Alabama	0-0	0-1	0-1
Arkansas	0-0	0-1	0-1
Kentucky	2-0	0-0	2-0
Louisiana	2-0	0-0	2-0
Mississippi	1-0	0-1	1-1
Missouri	0-0	0-2	0-2
Tennessee	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>
Totals	5-0	0-5	5-5
Grand Totals	24-2	0-17	24-19

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 679 (1842).

APPENDIX GG: "LITTLE TARIFF" OF 1842 ROLL CALL BY STATE AND  
REGION, HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
New England:			
Connecticut	6-0	0-0	6-0
Maine	4-0	0-4	4-4
Massachusetts	9-0	1-0	10-0
New Hampshire	0-0	0-5	0-5
Rhode Island	2-0	0-0	2-0
Vermont	<u>5-0</u>	<u>0-0</u>	<u>5-0</u>
Totals	26-0	1-9	27-9
Atlantic:			
Delaware	1-0	0-0	1-0
New Jersey	6-0	0-0	6-0
New York	16-0	0-19	16-19
Pennsylvania	<u>12-1</u>	<u>0-12</u>	<u>12-13</u>
Totals	35-1	0-31	35-32
Northwest:			
Illinois	1-0	1-1	2-1
Indiana	5-1	0-1	5-2
Michigan	1-0	0-0	1-0
Ohio	<u>12-0</u>	<u>0-6</u>	<u>12-6</u>
Totals	19-1	1-8	20-9
Chesapeake:			
Maryland	5-0	0-1	5-1
Virginia	<u>6-3</u>	<u>0-8</u>	<u>6-11</u>
Totals	11-3	0-9	11-12
South:			
Georgia	0-5	0-3	0-8
North Carolina	6-1	0-4	6-5
South Carolina	<u>0-1</u>	<u>0-7</u>	<u>0-8</u>
Totals	6-7	0-14	6-21

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
Southwest:			
Alabama	0-0	0-5	0-5
Arkansas	0-0	0-1	0-1
Kentucky	9-0	0-2	9-2
Louisiana	2-0	0-1	2-1
Mississippi	0-0	0-2	0-2
Missouri	0-0	0-2	0-2
Tennessee	<u>5-0</u>	<u>0-5</u>	<u>5-5</u>
Totals	16-0	0-18	16-18
Grand Totals	113-12	2-89	115-101

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 637 (1842); note that although the *Globe* reported the House roll call vote as 116 to 103, only 115 aye and 101 nay votes are recorded.



APPENDIX HH: "PERMANENT TARIFF" OF 1842 ROLL CALL BY  
STATE AND REGION, SENATE

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
New England:			
Connecticut	1-0	0-1	1-1
Maine	1-0	0-1	1-1
Massachusetts	2-0	0-0	2-0
New Hampshire	0-0	0-2	0-2
Rhode Island	2-0	0-0	2-0
Vermont	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	8-0	0-4	8-4
Atlantic:			
Delaware	2-0	0-0	2-0
New Jersey	2-0	0-0	2-0
New York	1-0	0-1	1-1
Pennsylvania	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	5-0	0-3	5-3
Northwest:			
Illinois	0-0	0-2	0-2
Indiana	2-0	0-0	2-0
Michigan	2-0	0-0	2-0
Ohio	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	4-0	0-4	4-4
Chesapeake:			
Maryland	2-0	0-0	2-0
Virginia	<u>1-1</u>	<u>0-0</u>	<u>1-1</u>
Totals	3-1	0-0	3-1
South:			
Georgia	0-0	0-1	0-1
North Carolina	1-1	0-0	1-1
South Carolina	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	1-1	0-3	1-4

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
Southwest			
Alabama	0-0	0-2	0-2
Arkansas	0-0	0-2	0-2
Kentucky	2-0	0-0	2-0
Louisiana	2-0	0-0	2-0
Mississippi	0-0	0-1	0-1
Missouri	0-0	0-2	0-2
Tennessee	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>
Totals	4-0	0-7	4-7
Grand Totals	25-2	0-21	25-23

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 852 (1842).

APPENDIX II: "PERMANENT TARIFF" OF 1842 ROLL CALL BY STATE  
AND REGION, HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
New England:			
Connecticut	5-0	0-0	5-0
Maine	4-0	0-3	4-3
Massachusetts	10-1	1-0	11-1
New Hampshire	0-0	0-5	0-5
Rhode Island	2-0	0-0	2-0
Vermont	<u>5-0</u>	<u>0-0</u>	<u>5-0</u>
Totals	26-1	1-8	27-9
Atlantic:			
Delaware	1-0	0-0	1-0
New Jersey	6-0	0-0	6-0
New York	18-0	0-19	18-19
Pennsylvania	<u>12-1</u>	<u>0-13</u>	<u>12-14</u>
Totals	37-1	0-32	37-33
Northwest:			
Illinois	1-0	0-2	1-2
Indiana	5-0	0-1	5-1
Michigan	1-0	0-0	1-0
Ohio	<u>12-0</u>	<u>0-6</u>	<u>12-6</u>
Totals	19-0	0-9	19-9
Chesapeake:			
Maryland	6-0	0-2	6-2
Virginia	<u>7-3</u>	<u>0-10</u>	<u>7-13</u>
Totals	13-3	0-12	13-15
South:			
Georgia	0-5	0-2	0-7
North Carolina	4-3	0-5	4-8
South Carolina	<u>0-1</u>	<u>0-8</u>	<u>0-9</u>
Totals	4-9	0-15	4-24

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
Southwest:			
Alabama	0-0	0-5	0-5
Arkansas	0-0	0-1	0-1
Kentucky	10-0	0-2	10-2
Louisiana	2-0	0-1	2-1
Mississippi	0-0	0-2	0-2
Missouri	0-0	0-2	0-2
Tennessee	<u>4-4</u>	<u>0-5</u>	<u>4-9</u>
Totals	16-4	0-18	16-22
Grand Totals	115-18	1-94	116-112

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 762 (1842).

APPENDIX JJ: REVISED "PERMANENT TARIFF" OF 1842 ROLL CALL  
BY STATE AND REGION, SENATE

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
New England:			
Connecticut	1-0	0-1	1-1
Maine	1-0	1-0	2-0
Massachusetts	2-0	0-0	2-0
New Hampshire	0-0	0-1	0-1
Rhode Island	2-0	0-0	2-0
Vermont	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	8-0	1-2	9-2
Atlantic:			
Delaware	1-1	0-0	1-1
New Jersey	2-0	0-0	2-0
New York	1-0	1-0	2-0
Pennsylvania	<u>0-0</u>	<u>2-0</u>	<u>2-0</u>
Totals	4-1	3-0	7-1
Northwest:			
Illinois	0-0	0-1	0-1
Indiana	2-0	0-0	2-0
Michigan	2-0	0-0	2-0
Ohio	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	4-0	0-3	4-3
Chesapeake:			
Maryland	0-1	0-0	0-1
Virginia	<u>0-2</u>	<u>0-0</u>	<u>0-2</u>
Totals	0-3	0-0	0-3
South:			
Georgia	0-1	0-1	0-2
North Carolina	0-2	0-0	0-2
South Carolina	<u>0-0</u>	<u>0-2</u>	<u>0-2</u>
Totals	0-3	0-3	0-6

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
Southwest			
Alabama	0-0	0-2	0-2
Arkansas	0-0	0-2	0-2
Kentucky	2-0	0-0	2-0
Louisiana	2-0	0-0	2-0
Mississippi	0-1	0-1	0-2
Missouri	0-0	0-2	0-2
Tennessee	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>
Totals	4-1	0-7	4-8
Grand Totals	20-8	4-15	24-23

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 960 (1842).

APPENDIX KK: REVISED "PERMANENT TARIFF" OF 1842 ROLL CALL BY  
STATE AND REGION, HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
New England:			
Connecticut	6-0	0-0	6-0
Maine	3-0	0-2	3-2
Massachusetts	9-1	1-0	10-1
New Hampshire	0-0	0-4	0-4
Rhode Island	2-0	0-0	2-0
Vermont	<u>5-0</u>	<u>0-0</u>	<u>5-0</u>
Totals	25-1	1-6	26-7
Atlantic:			
Delaware	1-0	0-0	1-0
New Jersey	6-0	0-0	6-0
New York	17-2	9-7	26-9
Pennsylvania	<u>10-1</u>	<u>10-0</u>	<u>20-1</u>
Totals	34-3	19-7	53-10
Northwest:			
Illinois	1-0	0-2	1-2
Indiana	3-2	0-1	3-3
Michigan	1-0	0-0	1-0
Ohio	<u>9-1</u>	<u>0-6</u>	<u>9-7</u>
Totals	14-3	0-9	14-12
Chesapeake:			
Maryland	3-1	0-2	3-3
Virginia	<u>3-7</u>	<u>0-10</u>	<u>3-17</u>
Totals	6-8	0-12	6-20
South:			
Georgia	0-5	0-3	0-8
North Carolina	0-6	0-5	0-11
South Carolina	<u>0-0</u>	<u>0-5</u>	<u>0-5</u>
Totals	0-11	0-13	0-24

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Total</u>
Southwest:			
Alabama	0-0	0-4	0-4
Arkansas	0-0	0-1	0-1
Kentucky	3-6	0-2	3-8
Louisiana	2-0	0-1	2-1
Mississippi	0-0	0-2	0-2
Missouri	0-0	0-2	0-2
Tennessee	<u>1-7</u>	<u>0-5</u>	<u>1-12</u>
Totals	6-13	0-17	6-30
Grand Totals	85-39	20-64	105-103

Source: Cong. Globe, 27<sup>th</sup> Cong., 2nd Sess. 926 (1842).



## APPENDIX LL: TARIFF OF 1846 ROLL CALL BY STATE AND REGION, SENATE

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>American</u>	<u>Totals</u>
New England:				
Connecticut	0-1	0-1	0-0	0-2
Maine	0-1	1-0	0-0	1-1
Massachusetts	0-2	0-0	0-0	0-2
New Hampshire	0-0	1-1	0-0	1-1
Rhode Island	0-2	0-0	0-0	0-2
Vermont	<u>0-2</u>	<u>0-0</u>	<u>0-0</u>	<u>0-2</u>
Totals	0-8	2-2	0-0	2-10
Atlantic:				
Delaware	0-2	0-0	0-0	0-2
New Jersey	0-2	0-0	0-0	0-2
New York	0-0	2-0	0-0	2-0
Pennsylvania	<u>0-0</u>	<u>0-2</u>	<u>0-0</u>	<u>0-2</u>
Totals	0-4	2-2	0-0	2-6
Northwest:				
Illinois	0-0	2-0	0-0	2-0
Indiana	0-0	2-0	0-0	2-0
Michigan	0-1	1-0	0-0	1-1
Ohio	<u>0-1</u>	<u>1-0</u>	<u>0-0</u>	<u>1-1</u>
Totals	0-2	6-0	0-0	6-2
Chesapeake:				
Maryland	0-2	0-0	0-0	0-2
Virginia	<u>0-1</u>	<u>1-0</u>	<u>0-0</u>	<u>1-1</u>
Totals	0-3	1-0	0-0	1-3
South:				
Florida	0-0	2-0	0-0	2-0
Georgia	0-1	1-0	0-0	1-1
North Carolina	0-1	0-0	0-0	0-1
South Carolina	<u>0-0</u>	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	0-2	5-0	0-0	5-2
Southwest:				
Alabama	0-0	2-0	0-0	2-0
Kentucky	0-2	0-0	0-0	0-2
Mississippi	0-0	2-0	0-0	2-0
Tennessee	<u>1-0</u>	<u>1-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	1-2	5-0	0-0	6-2

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>American</u>	<u>Totals</u>
Trans-South				
Arkansas	0-0	2-0	0-0	2-0
Louisiana	0-2	0-0	0-0	0-2
Missouri	0-0	2-0	0-0	2-0
Texas	<u>0-0</u>	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	0-2	6-0	0-0	6-2
Grand Totals	1-23	27-4	0-0	28-27

Source: Cong. Globe, 29<sup>th</sup> Cong., 1st Sess., 1158 (1846).

APPENDIX MM: TARIFF OF 1846 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>American</u>	<u>Totals</u>
New England:				
Connecticut	0-4	0-0	0-0	0-4
Maine	0-1	6-0	0-0	6-1
Massachusetts	0-9	0-0	0-0	0-9
New Hampshire	0-0	3-0	0-0	3-0
Rhode Island	0-2	0-0	0-0	0-2
Vermont	<u>0-3</u>	<u>0-0</u>	<u>0-0</u>	<u>0-3</u>
Totals	0-19	9-0	0-0	9-19
Atlantic:				
Delaware	0-1	0-0	0-0	0-1
New Jersey	0-3	0-2	0-0	0-5
New York	0-8	16-4	0-4	16-16
Pennsylvania	<u>0-10</u>	<u>2-10</u>	<u>0-2</u>	<u>2-22</u>
Totals	0-22	18-16	0-6	18-44
Northwest:				
Illinois	0-0	5-0	0-0	5-0
Indiana	0-2	6-0	0-0	6-2
Michigan	0-0	3-0	0-0	3-0
Ohio	<u>0-8</u>	<u>12-0</u>	<u>0-0</u>	<u>12-8</u>
Totals	0-10	26-0	0-0	26-10
Chesapeake:				
Maryland	0-1	1-1	0-0	1-2
Virginia	<u>1-1</u>	<u>13-0</u>	<u>0-0</u>	<u>14-1</u>
Totals	1-2	14-1	0-0	15-3
South:				
Florida	0-0	1-0	0-0	1-0
Georgia	0-2	5-0	0-0	5-2
North Carolina	0-3	6-0	0-0	6-3
South Carolina	<u>0-0</u>	<u>6-1</u>	<u>0-0</u>	<u>6-1</u>
Totals	0-5	18-1	0-0	18-6
Southwest:				
Alabama	1-0	6-0	0-0	7-0
Kentucky	0-7	3-0	0-0	3-7
Mississippi	0-0	4-0	0-0	4-0
Tennessee	<u>0-5</u>	<u>6-0</u>	<u>0-0</u>	<u>6-5</u>
Totals	1-12	19-0	0-0	20-12

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>American</u>	<u>Totals</u>
Trans-South				
Arkansas	0-0	0-0	0-0	0-0
Louisiana	0-1	3-0	0-0	3-1
Missouri	0-0	4-0	0-0	4-0
Texas	<u>0-0</u>	<u>2-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	0-1	9-0	0-0	9-1
Grand Totals	2-71	113-18	0-6	115-95

Source: Cong. Globe, 29<sup>th</sup> Cong., 1st Sess., 1053 (1846); note that although the *Globe* reported the House roll call vote as 114 to 95, only 115 aye votes are recorded.

## APPENDIX NN: TARIFF OF 1857 ROLL CALL BY STATE AND REGION, SENATE

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Republican</u>	<u>American</u>	<u>Totals</u>
New England:					
Connecticut	0-0	1-0	1-0	0-0	2-0
Maine	0-0	0-0	1-0	0-0	1-0
Massachusetts	0-0	0-0	1-0	0-0	1-0
New Hampshire	0-0	0-0	0-0	0-0	0-0
Rhode Island	0-0	0-2	0-0	0-0	0-2
Vermont	<u>0-0</u>	<u>0-0</u>	<u>0-2</u>	<u>0-0</u>	<u>0-2</u>
Totals	0-0	1-2	3-2	0-0	4-4
Atlantic:					
Delaware	0-0	0-0	0-0	0-0	0-0
New Jersey	0-0	0-1	0-0	0-0	0-1
New York	1-0	0-0	1-0	0-0	2-0
Pennsylvania	<u>0-0</u>	<u>1-1</u>	<u>0-0</u>	<u>0-0</u>	<u>1-1</u>
Totals	1-0	1-2	1-0	0-0	3-2
Northwest:					
Illinois	0-0	2-0	0-0	0-0	2-0
Indiana	0-0	1-0	0-0	0-0	1-0
Iowa	0-0	0-0	0-0	0-0	0-0
Michigan	0-0	1-0	0-0	0-0	1-0
Ohio	0-0	1-0	0-1	0-0	1-1
Wisconsin	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>
Totals	0-0	5-0	0-1	0-0	5-1
Chesapeake:					
Maryland	0-0	0-0	0-0	0-0	0-0
Virginia	<u>0-0</u>	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	0-0	2-0	0-0	0-0	2-0
South:					
Florida	0-0	2-0	0-0	0-0	2-0
Georgia	0-0	1-0	0-0	0-0	1-0
North Carolina	0-0	2-0	0-0	0-0	2-0
South Carolina	<u>0-0</u>	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	0-0	7-0	0-0	0-0	7-0

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Republican</u>	<u>American</u>	<u>Totals</u>
Southwest:					
Alabama	0-0	2-0	0-0	0-0	2-0
Kentucky	0-0	0-0	0-0	0-0	0-0
Mississippi	0-0	1-0	0-0	0-0	1-0
Tennessee	<u>1-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>1-0</u>
Totals	1-0	3-0	0-0	0-0	4-0
Trans-South					
Arkansas	0-0	2-0	0-0	0-0	2-0
Louisiana	1-0	0-0	0-0	0-0	1-0
Missouri	0-1	1-0	0-0	0-0	1-1
Texas	<u>0-0</u>	<u>1-0</u>	<u>0-0</u>	<u>1-0</u>	<u>2-0</u>
Totals	1-1	4-0	0-0	1-0	6-1
California	<u>0-0</u>	<u>2-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Grand Totals	3-1	25-4	4-3	1-0	33-8

Source: Cong. Globe, 34<sup>th</sup> Cong., 3rd Sess., 1062 (1857).

APPENDIX OO: TARIFF OF 1857 ROLL CALL BY STATE AND REGION,  
HOUSE OF REPRESENTATIVES

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Republican</u>	<u>Opposition</u>	<u>American</u>	<u>Totals</u>
New England:						
Connecticut	0-0	0-0	0-0	0-0	4-0	4-0
Maine	0-0	0-0	2-0	3-0	0-0	5-0
Massachusetts	0-0	0-0	0-0	0-0	10-0	10-0
New Hampshire	0-0	0-0	0-0	0-0	3-0	3-0
Rhode Island	0-0	0-0	0-0	0-0	2-0	2-0
Vermont	<u>1-0</u>	<u>0-0</u>	<u>1-0</u>	<u>1-0</u>	<u>0-0</u>	<u>3-0</u>
Totals	1-0	0-0	3-0	4-0	19-0	27-0
Atlantic:						
Delaware	0-0	0-0	0-0	0-0	1-0	1-0
New Jersey	0-0	1-0	0-0	4-0	0-0	5-0
New York	1-0	1-3	0-0	14-4	1-0	17-7
Pennsylvania	<u>1-0</u>	<u>2-0</u>	<u>1-0</u>	<u>13-0</u>	<u>1-0</u>	<u>18-0</u>
Totals	2-0	4-3	1-0	31-4	3-0	41-7
Northwest:						
Illinois	0-0	0-4	1-1	0-0	1-1	2-6
Indiana	0-0	0-1	0-1	3-5	0-0	3-7
Iowa	1-0	1-0	0-0	0-0	0-0	2-0
Michigan	0-0	0-1	1-1	1-0	0-0	2-2
Ohio	0-0	0-0	1-2	8-9	0-0	9-11
Wisconsin	<u>0-0</u>	<u>1-0</u>	<u>1-0</u>	<u>0-0</u>	<u>0-0</u>	<u>2-0</u>
Totals	1-0	2-6	4-5	12-14	1-1	20-26
Chesapeake:						
Maryland	0-0	1-1	0-0	0-0	4-0	5-1
Virginia	<u>0-0</u>	<u>0-11</u>	<u>0-0</u>	<u>0-0</u>	<u>0-1</u>	<u>0-12</u>
Totals	0-0	1-12	0-0	0-0	4-1	5-13
South:						
Florida	0-0	0-1	0-0	0-0	0-0	0-1
Georgia	0-0	0-4	0-0	0-0	1-0	1-4
North Carolina	0-0	0-4	0-0	0-0	2-0	2-4
South Carolina	<u>0-0</u>	<u>0-4</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-4</u>
Totals	0-0	0-13	0-0	0-0	3-0	3-13

<u>State/Region</u>	<u>Whig</u>	<u>Democrat</u>	<u>Republican</u>	<u>Opposition</u>	<u>American</u>	<u>Totals</u>
Southwest:						
Alabama	0-0	0-5	0-0	0-0	1-1	1-6
Kentucky	0-0	0-3	0-0	0-0	4-2	4-5
Mississippi	0-0	0-4	0-0	0-0	1-0	1-4
Tennessee	<u>0-0</u>	<u>0-4</u>	<u>0-0</u>	<u>0-0</u>	<u>1-3</u>	<u>1-7</u>
Totals	0-0	0-16	0-0	0-0	7-6	7-22
Trans-South						
Arkansas	0-0	0-1	0-0	0-0	0-0	0-1
Louisiana	0-0	1-2	0-0	0-0	1-0	2-2
Missouri	0-0	0-0	0-0	5-0	1-0	6-0
Texas	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>	<u>0-0</u>
Totals	0-0	1-3	0-0	5-0	2-0	8-3
Grand Totals	4-0	8-53	8-5	52-18	39-8	111-84

Source: Cong. Globe, 34<sup>th</sup> Cong., 3rd Sess., 791 (1857).



## APPENDIX PP: AMERICAN FOREIGN TRADE, 1790 – 1860 (IN MILLIONS)

<u>Year</u>	<u>Nominal GDP</u>	<u>Imports</u>	<u>Exports</u>	<u>Imports &amp; Exports</u>	<u>Import%</u>	<u>Export%</u>	<u>Openness%</u>
1790	187	23	20	43	12%	11%	23%
1791	204	29	19	48	14%	9%	23%
1792	223	32	19	51	14%	9%	23%
1793	249	31	24	55	12%	10%	22%
1794	312	35	27	62	11%	9%	20%
1795	380	70	40	110	18%	11%	29%
1796	413	81	32	113	19%	8%	27%
1797	405	75	24	99	18%	6%	24%
1798	409	69	28	97	17%	7%	24%
1799	437	79	33	112	18%	8%	26%
1800	476	91	32	123	19%	7%	26%
1801	509	111	46	157	22%	9%	31%
1802	446	76	36	112	17%	8%	25%
1803	482	65	42	107	13%	9%	22%
1804	527	85	41	126	16%	8%	24%
1805	556	121	42	163	22%	7%	29%
1806	611	129	41	170	21%	7%	28%
1807	583	139	49	188	24%	8%	32%
1808	640	57	9	66	9%	1%	10%
1809	680	59	31	90	9%	4%	13%
1810	699	85	42	127	12%	6%	18%
1811	760	53	45	98	7%	6%	13%
1812	779	77	30	107	10%	4%	14%
1813	960	22	25	47	2%	3%	5%
1814	1,068	13	7	20	1%	1%	2%
1815	916	113	46	159	12%	5%	17%
1816	811	147	65	212	18%	8%	26%
1817	761	99	68	167	13%	9%	22%
1818	730	122	74	196	17%	10%	27%
1819	720	87	51	138	12%	7%	19%
1820	703	74	52	126	11%	7%	18%
1821	728	55	41	96	7%	6%	13%
1822	798	80	50	130	10%	6%	16%
1823	752	72	47	119	10%	6%	16%
1824	747	72	51	123	9%	7%	16%
1825	814	90	67	157	11%	8%	19%

<u>Year</u>	<u>Nominal GDP</u>	<u>Imports</u>	<u>Exports</u>	<u>Imports &amp; Exports</u>	<u>Import%</u>	<u>Export%</u>	<u>Openness%</u>
1826	858	78	52	130	9%	6%	15%
1827	907	71	58	129	8%	6%	14%
1828	888	81	50	131	9%	6%	15%
1829	921	67	55	122	7%	6%	13%
1830	1,012	63	59	122	6%	6%	12%
1831	1,042	96	59	155	9%	6%	15%
1832	1,118	95	62	157	8%	6%	14%
1833	1,147	101	70	171	9%	6%	15%
1834	1,207	109	81	190	9%	7%	16%
1835	1,327	137	100	237	10%	8%	18%
1836	1,465	177	107	284	12%	7%	19%
1837	1,539	130	94	224	9%	6%	15%
1838	1,582	96	96	192	6%	6%	12%
1839	1,645	156	102	258	10%	6%	16%
1840	1,559	98	112	210	6%	7%	13%
1841	1,636	123	104	227	8%	6%	14%
1842	1,602	96	92	188	6%	6%	12%
1843	1,553	56	104	160	3%	7%	10%
1844	1,686	103	100	203	6%	6%	12%
1845	1,842	113	98	211	6%	5%	11%
1846	2,045	118	102	220	6%	5%	11%
1847	2,387	122	151	273	5%	6%	11%
1848	2,404	149	130	279	6%	6%	12%
1849	2,395	141	132	273	6%	5%	11%
1850	2,556	174	135	309	7%	5%	12%
1851	2,698	211	179	390	8%	6%	14%
1852	3,037	207	155	362	7%	5%	12%
1853	3,279	264	190	454	8%	6%	14%
1854	3,677	298	215	513	8%	6%	14%
1855	3,937	258	193	451	6%	5%	11%
1856	4,009	310	266	576	8%	6%	14%
1857	4,140	348	279	627	8%	7%	15%
1858	4,054	263	251	514	7%	6%	13%
1859	4,383	331	278	609	8%	6%	14%
1860	4,345	354	316	670	8%	7%	15%

**Source:** Carter, et al., eds., *Historical Statistics*, 5:498-499; “Measuring Worth,” <http://www.measuringworth.org/usgdp/>.

APPENDIX QQ: A LOGISTIC REGRESSION ANALYSIS OF THE VOTING PATTERNS  
FOR THE TARIFFS OF 1841 AND 1842

The thesis in this dissertation argues that from the early 1840s onward, trade policy became a political issue that was national in character, with significant blocs of both protectionist and free trade support present in all regions of the United States. It emphasizes that industrialization, and the chronologically staggered manner in which it spread throughout the United States, influenced trade policy more than any other factor. This differs from assertions in most of the existing literature: that the distinctly different free and slave labor systems functioning in the North and South caused economic issues, including trade policy, to be delineated on a geographic basis. As industrial takeoff spread throughout the United States, economic interests in previously non-industrial regions became more sympathetic to legislation that promoted the industrialization process. The tariff roll calls from the Twenty-Seventh Congress in 1841 and 1842 mark a turning point in antebellum tariff policy because these legislative acts were the first significant attempt to set trade policy after the industrial “takeoff” of the 1830s.<sup>1</sup>

Statistical modeling provides a quantitative basis upon which to either validate or reject the primary thesis of this research – the primacy of an industrialization model versus a geographic model. This appendix summarizes the results of a statistical analysis of the congressional roll call voted in 1841 and 1842 and economic data from the 1840 census. Data was collected from the roll call votes to determine whether a senator or representative was pro-tariff (protectionist) or anti-tariff (free trade). The analysis considered three bills which sought to make trade policy, including the Tariff of 1841, the Little Tariff (1842), and the Permanent Tariff (1842). The

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<sup>1</sup> The foremost advocates of a labor system / geographic divide are Eugene Genovese and John Ashworth. See Eugene D. Genovese. *The Political Economy of Slavery: Studies in the Economy and Society of the Slave South*. (Middleton, Connecticut: Wesleyan University Press, 1989), 34; John Ashworth. *Slavery, Capitalism, and Politics in the Antebellum Republic, Volume 1: Commerce and Compromise, 1820-1850*. New York: Cambridge University Press, 1995.

Revised Permanent Tariff (1842) has been omitted from the analysis because, as discussed in detail in Chapter 9, this vote only came about as a result of President Tyler's veto, and was motivated by political pragmatism rather than any policy initiatives.

Economic data from the 1840 census was compiled on a "political unit" basis. In the case of senators and at-large congressmen, the political unit was their native state. In the case of all other representatives, the data was compiled for the congressional district that they represented.<sup>2</sup>

The total population of political units corresponds to all active Senate and House seats (Combined model,  $n = 295$ ).<sup>3</sup> If a Senate or House seat turned over during the Twenty-Seventh Congress (due to death, resignation, or for any other reason), the coding for that seat represents the compiled voting actions of all people sitting in that particular seat. Regression models were also estimated for just the Senate (Senator Only model,  $n = 51$ ) and just the House (Representatives-Only model,  $n = 244$ ).

If a specific Senate or House seat consistently voted for protectionist bills, they were coded as being pro-tariff. If the recorded votes were consistently against, they were coded as anti-tariff. The consistently pro-tariff votes totaled 46.1% of the population and the consistently anti-tariff votes totaled 46.8% of the population. The remaining 7.1% of the votes were identified as pro-tariff or anti-tariff based on the majority pattern of their tariff bill voting record. In any case where the voting pattern was equally divided, the vote on the Revised Permanent Tariff was used to categorize the vote.

In this study the outcome variable of interest, how a political unit (Senate or House seat) voted on the tariff bills, is a dichotomous variable; that is, having only two possible values: a

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<sup>2</sup> Note that seven states selected their representatives on an "at-large" basis. These included Alabama(5), Georgia (9), Missouri (2), Mississippi (2), New Hampshire (5), New Jersey (6), and Rhode Island (2). This represents 12.7% of the total House sample.

<sup>3</sup> Note that one senate seat from Tennessee and one House seat from Kentucky never participated in the trade policy debates of 1841 and 1842.

vote in the aggregate against the tariff bills (anti-tariff = 0), or for them (pro-tariff = 1). Ordinary least squares (OLS) regression is not the optimal method to study this type of outcome variable because it violates several required assumptions. Among these assumptions is that the dependent variable must be continuous, unbounded, and measured on an interval or ratio scale; clearly this is not the case with a dichotomous outcome measure. Logistic regression accommodates a dichotomous dependent variable as well as non-continuous independent variables, as is the case here.<sup>4</sup>

In logistic regression, instead of calculating the expected value of the dependent variable as in OLS or linear regression, the dependent variable is the log-odds that a particular event will occur. The logistic regression model is described mathematically as follows:<sup>5</sup>

$$\ln \frac{P}{1 - P} = \ln (\text{odds}) = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where P is the probability that a political unit voted pro-tariff and 1-P is the probability of an anti-tariff voting position. X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, and X<sub>4</sub> are the independent variables described below. α and β are regression coefficients to be estimated, and ε is a random error term that is logistically distributed. The dependent variable in the regression equation is the natural logarithm of the odds (log odds) of a particular political unit voting pro- or anti-tariff. Interpreting the regression coefficients is discussed below.<sup>6</sup>

Key independent variables were derived from available economic data contained in the 1840 census, and include the following:

- A. SLAVE/FREE STATE: Each political unit (Senate or House seat) was identified as residing in either a slave or free state. At the time of the Twenty-Seventh Congress

<sup>4</sup> Manard, 2001.

<sup>5</sup> DesJardins, 1999.

<sup>6</sup> Ibid.

(1841-1843), the twenty-six states in the Union were equally divided. Traditional views of the tariff suppose that free states traditionally supported protectionist trade legislation while slave states did not.<sup>7</sup>

- B. SLAVE POPULATION: For each political unit (either a district or state for a representative or a state for a senator) the percentage of total population that was slave compared to the total overall population of each political unit was computed. The results ranged from 0.0% in Maine's 5<sup>th</sup> congressional district to 80.1% in South Carolina's 2<sup>nd</sup> congressional district. This variable is related to SLAVE/FREE STATE in measuring whether states that had high slave populations were more prone to oppose protectionist tariff legislation.
- C. AGRICULTURAL POPULATION: For each political unit the percentage of the total working labor force engaged in agriculture compared to the total population of each political unit was computed. The results ranged from 1.5% in Pennsylvania's 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> districts to 50.4% in New York's 21<sup>st</sup> congressional district. This variable was included to measure the impact of whether more heavily agricultural states were more inclined to oppose protectionist tariff legislation..<sup>8</sup>
- D. CAPITAL PER CAPITA: For each political unit, the dollars invested in manufacturing plant and equipment was divided by the total population of each political unit, in order to calculate a measure of invested manufacturing capital on a per capita basis. The results ranged from \$1.27 in Virginia's 10<sup>th</sup> congressional district to \$125.71 in Massachusetts'

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<sup>7</sup> The slave states were AL, AR, DE, GA, KY, LA, MD, MO, MS, NC, SC, TN and VA. The free states were CT, IL, IN, MA, ME, MI, NH, NJ, NY, OH, PA, RI and VT.

<sup>8</sup> The 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Pennsylvania congressional districts all represented the city of Philadelphia. New York's 21<sup>st</sup> district was located in the western part of the state.

4<sup>th</sup> congressional district. This variable was included to measure the impact of industrialization upon tariff legislation.<sup>9</sup>

Political party was not used as an independent variable in the regression analysis. Previous studies have already demonstrated the extremely high correlation between party and tariff policy stance. The correlation between votes and party is so strong ( $r^2 = 0.863$ ) that it overwhelms all other variables included in the analysis.<sup>10</sup>

Collinearity or multicollinearity describe a situation where there is a close relationship among the independent variables to be used in a regression model, indicating that there is some degree of redundancy or overlap among the variables. A Pearson correlation table was generated that calculates pairwise correlations between each of the variables used in the model. Examination of the table revealed no correlations exceeding the benchmark of .700.<sup>11</sup> Using all of the variables in the model, an OLS regression model was estimated and collinearity diagnostics generated to test for multicollinearity problems in the data. There is no statistical evidence for the existence of multicollinearity since: (1) the variance inflation factors (VIF) for all variables are very low (the highest VIF was 1.98, well below the benchmark of 10.0); and (2) none of the variables had condition index values that exceed the commonly used threshold value of 30.0.<sup>12</sup>

Logistic regression analysis was performed to examine relationship between the various independent variables in the model and the pro-/anti- tariff vote outcome. If the proposed thesis is valid, high CAPITAL PER CAPITA should be a significant predictor in the regression model. If a geographical model is valid, the designation of SLAVE/FREE STATE, high SLAVE

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<sup>9</sup> Virginia's 10<sup>th</sup> district was located in the southwestern portion of the state. Massachusetts' 4<sup>th</sup> was located near Boston.

<sup>10</sup> Historians have already well documented this fact. See Joel H. Silbey, *The Shrine of Party: Congressional Voting Behavior, 1841-1852*. (Pittsburgh, Pennsylvania: University of Pittsburgh Press, 1967), 65; Thomas B. Alexander. *Sectional Stress and Party Strength: A Computer Analysis of Roll Call Patterns in the United States House of Representatives, 1836-1860*. (Nashville, Tennessee, 1967), 44.

<sup>11</sup> Tabachnick and Fidell, 1989.

<sup>12</sup> Hair, Anderson, Tatham, & Black, 1995

POPULATION and high AGRICULTURAL POPULATION variables would be more likely to exert significance on the model. The independent variables were entered together as a single block.

The results of the logistic regression, using a pro- or anti-tariff voting record as the dichotomous dependent variable, and tested against the five aforementioned independent variables, are as follows:

**Table QQ.1.** Results of Logistic Regression Analysis

<b>Combined Model</b>	Log-odds	Sig.	Odds Ratio	Inverse Odds Ratio
Slave/free state	-0.082			1.086
Slave population	-0.166			1.181
Agricultural population	-3.547			34.483
Capital per capita	0.025	*	1.025	
Constant	0.548		1.730	
-2 Log Likelihood	381.243			
Degrees of freedom	4			
	***			
Nagelkerke pseudo R <sup>2</sup>	0.117			
<b>Representative-Only Model</b>				
Slave/free state	-0.142			1.152
Slave population	-0.573			1.773
Agricultural population	-3.211			25.000
Capital per capita	0.023	*	1.024	
Constant	0.565		1.759	
-2 Log Likelihood	313.243			
Degrees of freedom	4			
	***			
Nagelkerke pseudo R <sup>2</sup>	0.127			

\* p<.05, \*\*p<.01, \*\*\*p<.001

The estimated regression coefficients produced in the analyses are changes in the log-odds of the event (pro- versus anti-tariff vote) occurring due to incremental changes in the values of the coefficients. Interpretation of changes in log-odds is conceptually difficult; however a transformation can be applied to facilitate interpretation by taking the log of both sides of the



equation described above. This changes the log-odds to an odds ratio, which allows for interpretation of a one-unit change in an independent variable as a change in the odds of the event occurring.<sup>13</sup>

In interpreting these coefficients, it is important to remember that because the dependent variable is coded as “anti-tariff” = 0 and “pro-tariff” = 1, a negative coefficient indicates that increased response values to the variable will reduce the probability of a pro-tariff vote, while a positive coefficient will increase the probability of a pro-tariff vote. The Combined and Representative-Only models are significant ( $p < .001$ ) with CAPITAL PER CAPITA the sole significant variable ( $p < .05$ ). The estimated regression coefficient for CAPITAL PER CAPITA is 0.025, indicating that the log-odds of voting pro-tariff is 0.025 units higher for districts with higher levels of invested capital. The corresponding odds ratio for this variable is 1.025, indicating that the odds of casting an anti-tariff vote are 1.025 times (or 2.5%) higher in districts with higher levels of invested capital. As importantly, the other three variables were determined not to be significant in either model. In the case of the Senator-Only model, neither the model nor any of the independent variables was found to be significant.

It can be concluded that invested CAPITAL PER CAPITA, a proxy for industrialization, influenced the tariff voting patterns in 1841 and 1842. This data supports the thesis that takeoff in the 1830s had made the tariff a national issue. Conversely, the fact that SLAVE/FREE STATE, SLAVE POPULATION, and AGRICULTURAL POPULATION were not significant also supports that the traditional regional paradigm associated with antebellum tariffs was broken by the early 1840s.

The fact that CAPITAL PER CAPITA was a significant variable in the Representative-Only, but not the Senate-Only model, is not surprising. The House membership turned over more

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<sup>13</sup> DesJardins, 2001.

rapidly due to biennial elections, and in most cases members represented relatively small geographic districts with very distinct economic characteristics. In contrast, senators were elected by state legislatures for six year terms and they represented all citizens of their native state, which meant that the economic interests of their constituencies were typically more diversified. An example of this would be New York, a heavily industrialized state that also included the heavily agricultural 21<sup>st</sup> district. The interests of the state could be pro-tariff, while the interests of a particular district could be the opposite. Consequently, as a result of faster turnover and the smaller size of the corresponding political units, the House was more “current” in reflecting constituent sentiments and the influence of industrialization than the Senate.

While the above analysis demonstrates that industrialization influenced the tariff votes in 1841 and 1842, it should be stressed that this relationship is not causal. The data does, however, provide additional evidence to support the thesis that American industrial takeoff in the 1830s dramatically altered the nature of trade policy from the 1840s forward. The tariff transitioned from a geography-based issue, which it was from 1824 through 1833, back to a national one.

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**ABSTRACT****INTERESTS AND IDEAS: INDUSTRIALIZATION, INTELLECTUAL ORIGINS,  
AND THE MAKING OF EARLY AMERICAN TRADE POLICY, 1789 – 1860**

by

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Trade policy was a prominent economic and political issue in the United States between 1789 and 1860, culminating in the Civil War. Many historians have characterized this period as pitting mutually exclusive economic systems, an industrializing, free-labor North and a slave-based agricultural South, against one another. The traditional interpretation is that the North eagerly supported tariffs and economic protection that they provided, while the South stood in opposition. The Nullification Crisis of 1832-1833 is frequently cited as evidence that the tariff was a sectional issue and some historians go so far as to describe the tariff as a significant cause of the Civil War.

This traditional view of early American trade policy merits reconsideration. The First Industrial Revolution, rather than competing labor systems, provides the appropriate context through which antebellum trade policy ought to be viewed and understood. An examination of congressional roll call votes on important trade policy legislation, coupled with economic census data, provides compelling evidence that the tariff was national in scope, pitting economic

nationalists, who supported protective principles, against liberals, who supported free trade. By the time of the Civil War, the tariff issue was clearly not demarcated by geographical region.

The debates over trade policy before the Civil War were dynamic, and highly influenced by interests and ideas. As industrialization spread throughout the United States, local economic interests were susceptible to change, which were manifested through the votes of elected legislators. Likewise, ideas played an important role, as Americans debated the respective merits of a strong national policy to serve the community-at-large through national military and economic strength versus a desire for an egalitarian approach involving minimal federal government involvement.

The American trade policy debate was sectional in nature for a brief period between 1824 and 1833. Prior to that time, trade policy was shaped by foreign relations. By 1824 the First Industrial Revolution had commenced in the United States, though it was limited to the northeastern part of the nation. Between 1824 and 1833 there were bitter debates over the tariff, caused by the industrialization had been introduced to part, but not all, of the nation. However, by the 1830s other portions of the country, including the South, began experiencing an industrialization “takeoff” process. An examination of various tariff bills in 1841 and 1842, when subjected to statistical modeling, demonstrates that the relationship between capital investment in manufactures per capita for a political unit (congressional district or state) and the trade policy voting pattern of its senators or representatives was significant. In comparison, geographical region and slave population were not significant factors.

By the time of the tariffs of 1841 and 1842, trade policy was again a national issue and it remained so up to the Civil War. Economic interests and ideas, shaped by the Industrial Revolution, were the factors that most profoundly shaped antebellum American trade policy.

## **AUTOBIOGRAPHICAL STATEMENT**

John Moore began his professional career in the late 1970s. He is a certified public accountant registered in the State of Michigan, and was initially employed with the public accounting firm of Coopers & Lybrand. Later, he worked in the leasing and commercial real estate industries, including time at the Taubman Company. At age thirty-one, John was named vice-president and chief financial officer of the R. A. DeMattia Company, a large Michigan-based industrial real estate development company. He also served for twelve years as chief financial officer of Commercial Properties Services, a national based commercial real estate company. John continues to consult with real estate clients.

His educational background includes a bachelor's degree from the University of Notre Dame (BBA, 1979), and masters' degrees from Walsh College (MSF, 1995), American Military University (MA, 2001), and Wayne State University, (MA, 2009). John has been employed since 2008 as an associate professor in the Finance and Economics Department at Walsh College, where he began teaching as an adjunct in 1994. He teaches at both the undergraduate and graduate levels, and his primary areas of academic interest include business and economic history, global economics, commercial real estate, and investments.

Mr. Moore has appeared on radio and television, and in print, regarding the economy, stock market, Federal Reserve, real estate and other topics as a subject matter expert, including Crain's Detroit Business, WJR radio, WWJ radio, Detroit Public Television, Fox Business News online, and Yahoo Finance online. His academic awards include a scholarship grant from the Colonial Dames Society (2010), the Dr. Gerald Dreslinski Scholarship at Wayne State University (2010), and the James Soltow Award by the Economic and Business History Society (2011).