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The development of the protective tariff legislation in the United States

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The purpose of this thesis is to trace the development of protective tariff legislation in the United States; to give the causes, nature, and results of each tariff bill enacted; to show to how great an extent the protective spirit has grown; to indicate as far as possible what causes have occasioned this growth.

Submitted for the degree of Bachelor of Arts by Robert Alexander Bull,
June 21, 1897.

THE DEVELOPMENT OF PROTECTIVE TARIFF
LEGISLATION IN THE UNITED STATES,

INTRODUCTION.

The history of protective tariff legislation in the United States comprises much of the political history of our government. The tariff question has bothered men's minds ever since England acknowledged the independence of the little group of thirteen states that threw off the heavy yoke she had placed upon them. One sees in that, that our very existence as a nation is due to tariff legislation; for had not Great Britain burdened us with unjust taxes, there would never have been a Boston tea party; we would have no Fourth of July to celebrate; and the old towns of Lexington and Concord would have nothing of historic interest for us.

The American colonies were not peculiar in having a perplexing problem on their hands in the shape of the tariff question. From the beginning of history, we find that those who have concerned themselves with public affairs have been unable to agree on the subject of tariff. Lexicographers even differ as to the deri-

vation of the word. Some say it comes from the Arabic word ta'rif, which means, information, definition, explanation. Others claim that it is derived from the name of a town in Spain, Fariffa, which lies at the entrance of the straits of Gibraltar, where duties were once collected.

Whatever the derivation of the word may be, and for how long a time men have been divided in opinion as to whether a nation's prosperity depended largely on high or low tariff, no one will hesitate to admit that even now it may be called a "Chinese puzzle." And the writer owes it to his modesty to say, in the introduction, that it is not his purpose to prove that either "free trade" or "protection" is the panacea for all public ills, but to give a short historical sketch of tariff legislation in the United States.

Many men of many minds have written at great and little length on the subject of tariff, but few indeed are those that have given us an unbiased account of tariff legislation in this country. Faussig is a possible exception to this general rule.

In his "Tariff History of the United States," he gives us a clear, concise, almost unprejudiced account of such legislation in this country. Sumner, in his "Protectionism," gives us probably the best presentation of the free trade doctrine in print today. And to get a clear view of the question from the protectionist standpoint, one will do well to read Mason's "Short Tariff History of the United States," and Thompson's "Protection to Home Industries."

A tariff may be used for two purposes — to provide a revenue for the government, or to inflate the price of goods imported, which would otherwise be sold for a price less than that which it would be necessary to demand for articles of the same kind, produced at home. "A tariff for revenue only," or "free trade," is the name applied to a tariff employed for the first purpose. If used for the second purpose, it is termed "protectionism."

Tariff for revenue is a form of indirect taxation. The burden is placed on the consumer, as the importer pays the stipulated duty on the border and then

naturally adds the duty to the price of the article imported. Such a taxation through tariff is justified by its advocates upon the ground that it is easy and agreeable for people to pay taxes in such small amounts, as part of the price of goods daily purchased.

England has her tariff on a strictly revenue basis, and raises about one-fourth of her revenue by duties levied on tea, coffee, liquor, tobacco, and other articles of like nature.

On the other hand, the object of a protective tariff is to modify a country's natural production. The duty is levied on such goods as are produced both at home and abroad, the object being to levy such a high tax on imported articles of this class that they cannot compete with domestic articles of the same kind. Such a tariff assumes that the articles upon which it is levied can be produced at less cost abroad than at home. One may easily perceive that a tariff of this description, if protective enough, may be prohibitive. That is, it may be so high as

to utterly close our markets to foreign competition.

THE TARIFF FROM 1789 TO 1832.

The protective movement in this country is said by some to date from the year 1789. Indeed, there was a tendency on the part of some to advocate protectionism a few years before that. But the beginning of this movement ought to date from the act of 1816, when tariff really became protective. However it seems fitting to the writer to trace the current of events leading up to that measure.

Alexander Hamilton in 1789 was selected by President Washington to be Secretary of the Treasury. Upon assuming the duties of this responsible position, he found that he must solve, or at least attempt to solve, a very serious problem of finance. There was not existent at that period of our nation's history the spirit of patriotism that would induce the people to subscribe cheerfully to its support and the liquidation of its debt of eighty millions. Consequently, it was necessary to secure revenue by indirect taxes, which would not appreciably add

to the sum of state and local taxes already imposed upon our people. His decision was wise — to levy indirect taxes in the nature of customs duties on imported goods, and internal taxes on such articles as liquor and tobacco. This revenue system, inaugurated by Hamilton, has never been abandoned by our government.

The first tariff act was that of 1789, and it was a low tariff measure. The nature of the tariff was not changed from that time until 1816, when twenty seven years had elapsed, although the rates were slightly increased at intervals, when the government's needs demanded it.

But in 1816, the character of the tariff changed and became protective. Our commerce had been damaged considerably during our strained relations with both England and France in the first part of this century. And finally came our second war with England, — this time for commercial, not political independence — and we were compelled to depend on domestic manufactures, which developed very rapidly during the suspension of foreign com-

petition. But when peace was declared in 1815, the products of English factories swept in upon our markets and threatened to submerge our newer and less mature industries.

It was then that congress was asked by our manufacturers for protection for their young industries, and it was then that she granted their request under the form of the tariff act of 1816. The highest permanent rate of duty in this bill was twenty per cent. It was generally understood that the protective features embraced in this act were to be withdrawn in a few years. For the manufacturers claimed that if granted such protection as they desired they would soon be able to compete on equal footing with their older foreign rivals.

But the protective movement, once born, became a healthy, growing child, and the rates were increased considerably by the next act, that of 1824, which was ushered in by the protective measures that were proposed and earnestly championed in 1819 and 1820 in congress. The first of these passed the House and failed by only one vote to pass the Senate. It, however, paved

the way for the act of 1824, and later, for the bill of 1828.

By this time the South and the North had become distinctly divided on the tariff. The slavery question had caused many a debate in Congress, and a conflict seemed imminent until Clay brought forth his famous "Missouri Compromise" in 1820. This measure showed the Southern leaders the vital connection between slavery and free trade. They saw that the existence of slavery only in the states lying north of 36°30' meant the impossibility of manufactures in those states. Manufactured goods must be brought to the South from the North or Europe, and the existence of a protective tariff would increase their cost. The South could not yet set its own price on cotton, for its cultivation was not as yet sufficiently extensive for that. Consequently, from this time on, the South bitterly opposed high protective measures. John Randolph, of Virginia, spoke of the bill of 1828 as follows: "This bill referred to manufactures of no sort or kind except the manufacture of a President of the United

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States." Another Southern leader called it "the tariff of abominations."

This bill was, however, not very palatable to any one. It was utterly irrational in many particulars. Webster, Calhoun, and several other notable men of that day who voted for the bill, found not a little trouble in attempting to explain and justify their course to their constituents. Probably it would not have become a law, had it not been for Webster's influence. This act increased the tariff on all raw materials. The duty on pig iron was raised from 56 to 62½ cents per hundred weight, that on hammered bar iron from 90 to 112 cents per hundred weight, and that on rolled bar iron from \$30 to \$37 per ton. The duty on molasses was doubled, going from five cents to ten cents per gallon. The duty on flax and hemp was raised from \$35 to \$45 per ton, and it was to be increased annually by \$5, until it should at last reach \$60. The duty on wool was made 45 per cent ad valorem.

It was hardly to be expected that such an objectionable bill would remain a

law for any considerable length of time. It tended to widen the breach that already existed between the South and the North, and those far-sighted men who perceived in the distance a possible civil war, and who wished to avoid it by any means possible, immediately began to agitate a revision of the tariff, so as to palliate the Southern spirit. In 1830, duty on molasses was put back to five cents per gallon, and the duties on tea, coffee, and cocoa were lowered.

By the act of 1832, other important concessions were made. The duty on hemp was reduced to \$40, and flax was put on the free list. Woolen goods were subjected to a simple duty of 50 per cent ad valorem.

This did not, however, suit the South entirely, and in 1833, the "Compromise Tariff Bill" was passed, providing for a gradual reduction of duties. Finally a level of 20 per cent was reached. This great reduction was undoubtedly due to the action of South Carolina, who in 1832 declared that the tariff act, ^{operating} then should not be enforced in that state. It was the old question of state's rights again. President Jackson's

firmness and promptness compelled South Carolina to repeal the nullification act. But, although the secession spirit had been temporarily quelled, further concessions to the South were necessary, and the act of 1833 was the result, as has been stated.

THE TARIFF FROM 1832 TO THE CIVIL WAR.

Up to this point the tariff question was a sectional issue. It now became a party issue, and the "bone of contention" between the Democrat free traders and the Whig protectionists. During the time between 1832 and 1860, there was great fluctuation in the tariff. Public opinion was vacillating. The Democrats, obtaining control of the House and Senate would pass free trade bills, which were checkmated by high tariff acts passed by the Whigs, when they gained the ascendency. This period of "tit for tat" conflict between the two political parties naturally had a great effect on manufacture and trade. A few years of prosperity were followed by a period of depression in business. Clay and his followers claimed that prosperity was the result of protection. Calhoun with his henchmen declared that a

high protective system crippled industry, and that free trade was the only path to prosperity and "good times". There certainly is a close connection between the rates of tariff and the condition of trade and industry of a country. It is likewise true that the assertions made by politicians, as to what the nature of this connection is, cannot be accepted as true without careful study of conditions. And while doing this, we must not neglect consideration of the old law of "supply and demand."

The Whigs wished that the tariff act of 1832 might mould the system of protection into a permanent shape. The level reached by this measure was not over 33 per cent, and the duties were applied in a rational manner, as it seemed to them — high tariff on goods at home and abroad, and low tariff on articles not produced in this country. But Calhoun demanded a level of 15 or 20 per cent, which rate the South Carolina nullifiers had said was the highest to which they would consent. So in 1833, the Compromise Tariff Bill became necessary.

A few words of praise may be said for this act, considered from a political standpoint, but not from an economic standpoint. There is some excuse for it, however, inasmuch as a hasty measure, imposing lower duties, seemed necessary to conciliate the discontented South. But there was little regularity in the reductions, and no provision made for specific duties. Clay received some severe criticism for drafting such a measure. By it, the tariff was lowered by degrees until it reached the level of 20 per cent, where it was expected to stay.

But stay it did not. For, two months after the 20 per cent rate was reached, the Whigs, who were now having their day, passed the act of 1842, raising the tariff considerably. It was a hasty measure, with many objectionable features, and was brought forth, it seems clear, to make an issue.

This it did not fail to do. And as a result, it was superseded in 1846 by the "Schedule" or "Walker Bill," carried through by the Democrats. By it, certain products were

placed in certain schedules, each schedule being taxed at a different rate from the rest. This bill was in reality not a free trade measure, only a moderated form of protection. Iron, wool, leather, paper, and glass were taxed 30 per cent. Tea and coffee were on the free list. The bill takes its name from its framer, Robert J. Walker, of Mississippi, who was then Secretary of the Treasury.

This act remained in force for eleven years, and at the end of that time, a surplus had accumulated in the treasury. Public opinion demanded a reduction of the tariff on that ground, and the bill of 1857 was passed, against which there was practically no fight, and with which politics had little to do. The schedules of Walker's bill were retained, the duty on iron, wool, and cotton was reduced to 24 per cent, and the free list was enlarged.

Four years was the limit of existence for this bill, and during that time the United States had a tariff system more like free trade than it had had since 1816.

Now let us consider the industrial condition of the country between the years

1832 and 1860. We begin with 1832, because that is the date when the tariff question was taken up as an issue by the political parties. Taking this period as an integer, we find it was a time of prosperity. The crisis of 1837 and 1857 came in to interrupt our national prosperity for brief seasons, but the effect was not lasting. There were fluctuations in the condition of trade and commerce from time to time, and these periods have been declared by both free traders and protectionists to be the result of tariff agitation. Times of depression in business have been ascribed by protectionists to the fallacies of tariff for revenue only; and by free traders, to the errors of high tariff. Which is right? It is hard to tell. It may be safe to say that both sides are wrong in many of their declarations.

It is asserted that the panic of 1837 was connected with the Compromise Tariff Bill, passed in 1833. Henry C. Carey, Professor Thompson, Senator Evarts, all claim that the financial depression of 1837 was due to the fact that duties were put on too low a level by the act of that date. On the other hand,

Calhoun is supported by writers of prominence in his view that this crisis was brought about because duties were not lowered enough by the act of 1833. The crisis of 1837 and 1839 probably had no connection with the tariff act.

General Jackson, much as he may justly seem a hero to us in some respects, has a great part of the blame for this panic resting on his shoulders. His unwarranted fight against the United States Bank, to which he gave the death-blow, and his visionary confidence in the state banks, were the primary causes of the "hard times" that followed. Out of ten million dollars that the United States had on deposit in the state banks, about nine millions were lost through carelessness and defalcation. Each of these banks had its own currency, on which there was no restriction. There was also at this time great speculation in United States public lands. Under such circumstances, as these, the conclusion is drawn by Fausseg and others that the panic was unavoidable, and it would have come just as surely and quickly had the question of tariff not been mentioned at that

time. This conclusion seems to be based upon sound argument.

It is claimed that the tariff bill of 1857 had a great deal to do with the depression of that date. Professor Thompson holds the view that it was due to the fact that duties were lowered by that measure. Carey speaks of the "terrible free-trade crisis of 1857." When we look the facts squarely in the face, it does not seem that the passage of the tariff bill was the cause of the crisis. Faussig says, "it requires the exercise of great ingenuity to connect it in any way with the tariff act." It seems really to be due to nervous speculation and unstable banking. It was thought by some that this bill would prevent the panic by putting into circulation the surplus in the treasury, but such a course was not able to check it.

Protectionists have often referred to the revival in industry and trade of 1843-44 as the direct result of the tariff bill of 1842. Although there may be some truth in this, it cannot be claimed by an unprejudiced student of the tariff that the pro-

perity which followed was due to the high tariff rates of the act of 1842, and that if the tariff had remained on the low basis finally reached by the act of 1833, "hard times" would have continued for an unlimited time. The condition of affairs in congress at that time, due in large measure to the quarrel between President Tyler and the Whigs, was so unsettled that almost any decision by that body on the subject of tariff would have been welcomed by manufacturers.

Advocates of free trade speak of the prosperity of the United States from 1846 to 1860 as the direct result of the low tariff rates in force then. The foreign trade of the country during that period certainly had a very large growth, as may be seen from the following table, which gives the imports and exports per capita

	IMPORTS	EXPORTS.
In 1843-46	\$4.66	\$5.22
" 1847-50	6.35	6.32
" 1851-55	9.10	7.35
" 1856-60	10.41	9.45

This shows a very gratifying increase in

trade. But it is impossible to determine how much of this was due to low tariff. Gold had been discovered in California, the arts had received an undeniably strong stimulus, the railway system and ocean communication had grown very rapidly. All of these causes had direct bearing on manufacture and trade, and it is unjust to the protectionists to assert that low tariff was the one thing that put our country in such a prosperous condition at that time.

To sum up, the history of tariff legislation in the United States, up to the time of the civil war, gives no conclusive evidence of the superior efficacy of either high or low tariff. The connection between free trade and prosperity, or between high tariff and depression, cannot be established with much certainty.

THE TARIFF FROM THE CIVIL WAR
TO THE PRESENT TIME.

In 1857, the panic caused a decrease in the revenue, and thus there was brought about a reaction in favor of higher rates. The first of the protective measures, which now became frequent, was the "Morrill Bill."

This act was passed in the House in its session of 1859-60, but did not become a law by the consent of the Senate until 1861. It was not a war measure, for it was proposed before there was much serious thought of a conflict, and the Senate passed it with very little change from its original form. The most important modifications of the tariff by this act were higher duties on wool and iron.

The Southern states seceded from the Union, and we were in the midst of an awful struggle soon after the Morrill Bill was made a law. Greater revenue was necessary to carry on the conflict, and Congress was called upon for high tariff measures. The first of these was passed July 14, 1862. This act, however, was preceded by an internal revenue bill of July 1, 1862, which levied specific taxes on iron, steel, coal-oil, leather, and paper. Other manufactures were subjected to ad valorem taxes. An income tax was established, and certain corporations were compelled to pay taxes on their gross receipts.

The tariff act of July 14, 1862, which

has been referred to above, was intended partly to offset the vexations of the act of July 1. Messrs. Morrill and Stevens had much to do with piloting the bill through the House, and Mr. Morrill, in introducing it, said: "If we bleed manufacturers" (through the internal revenue act of July 1) "we must see to it that the proper tonic is administered at the same time" (through the agency of the tariff act of July 14). This bill had little opposition.

Contrary to the predictions of many, the Southern states that seceded were not forced to return to the Union until more than four years had elapsed. And as the war continued, more revenue was necessary. A few acts of little import were passed during the first three years of the war, leading up to the revenue acts of 1864.

By the internal revenue act of that date, all products were heavily taxed, as the following list will show: pig-iron, \$2 per ton; railroad iron, \$3 per ton; sugar, two cents per pound; salt, six cents per hundred weight; raw cotton, two cents per

pound; after it became cloth, it was again taxed five per cent. The income tax was increased to five per cent on average incomes, and ten per cent on incomes of more than \$10,000.

A corresponding increase in the duties on imports was made necessary by this act, and the tariff act of 1864 was passed. This bill was also managed by Mr. Morrill, who was Chairman of the Committee on Ways and Means. By its enforcement, the level of 47.06 per cent was reached, about ten per cent higher than the average rate attained by the act of 1862. It will be seen that this tariff law was the highest that had been passed by our government. It was also the last of the war tariff measures.

As soon as peace was declared, Congress set about to relieve the people of the heavy burden of internal taxes. All duties which had been levied on the productive resources of the country were entirely abolished by 1872. This was effected by annulling and modifying the excise laws, year by year. It was thought that along with this ab-

olition of internal taxes, would come the reduction of the duties on imports. Bills were proposed for that purpose, and plans brought forward to that end. But the protective spirit had grown, and there was a desire for the high tariff system to remain a permanent institution. It is perhaps not going too far to say that, whatever the advantages or disadvantages of protectionism may be, the inclination toward such a tariff system at this time, was caused by strong pressure brought to bear on congress by interested domestic producers. Free traders of today have not by any means forgotten this fact, and do not hesitate to accuse the protection leaders of that day of dishonest motives in advocating a retention of the high duties. Prominent among the bills proposed for a reduction of the tariff was the measure prepared by Mr Wells, Special Commissioner of the Revenue. It was not a free trade measure, but a reform bill from the high tariff point of view. It barely missed becoming a law. President Garfield, then Representative, earnestly advocated the passage

of this bill.

In 1870, the West, demanded a reduction in the tariff rates, and the act passed in that year, was the result. The tariff on tea, coffee, spices, sugar, molasses, and wines, was reduced, and that on pig iron went down from \$9 to \$7 per ton. Some articles, however, such as nickel, and steel rails, were taxed at a still higher rate.

This reduction of the tariff in 1870, did not long satisfy the growing sentiment for lower duties, which was especially strong in the West and among the farmers. By 1872 there was such complaint against the high tariff that a bill was introduced in the House by Mr. Finkelburg, of Missouri, proposing many reductions. But about the same time, a bill was introduced in the Senate, intending to allay the discontent, proposing a general reduction of ten per cent. This was not such a radical measure as the House bill, consequently the protectionist leaders bent all their energies toward its passage, and the killing of the House bill. They saw that

a partial reduction was unavoidable. Mr. Blaine was Speaker of the House then, and largely through his influence, the ten per cent reduction measure became a law. By it, the tariff on salt was lowered one half, and that on coal was reduced from \$1.25 to 75 cents per ton. The free list was extended. The ten per cent reduction applied to cotton, woolen, iron, steel, glass, and leather manufactures.

The next year after the passage of this bill, the people had to deal with the panic of 1873. The revenue had greatly diminished and had to be built up. Consequently a bill was proposed and passed in congress, repealing the ten per cent reduction. Rates were now what they had been up to 1872, and the revenue naturally increased again.

There were some attempts made to reduce the tariff in the course of the next few years but they were unsuccessful, excepting the bill passed in 1879, doing away with all duty on quinine.

The act of 1873, which put the rates back to the high standard, soon

began to increase the revenue. In seven years, the annual revenue was more than a hundred millions. It was the same old story. History had to repeat itself. People began to demand a reduction of the tariff, and congress in 1882 appointed a sort of investigating committee, called the "Tariff Commission", of which Mr Hayes was President. Their report was not acted upon for some time, for the House seemed unable to come to any agreement on a tariff bill. But finally the act of 1883 was passed. Through it was not by any means a ^{radical} low tariff measure, it was distasteful to the Republicans, and was passed in the Senate by a majority of one, on a strict party vote.

By this act, a specific duty on wool was substituted for the old ad valorem duty. Wools costing less than 32 cents per pound, were to pay 10 cents per pound, and wools of finer grade were to pay 12 cents. The duty on carpet wools was reduced from six and three cents per pound to five and two and a half cents. The specific duty on woolen goods was lowered from 50 cents to 35 cents per pound; on cheap, unprinted cot.

ton goods, from five to two and a half cents per pound. There was an increase in the duty on finer cotton goods. The rates on pig iron went down from \$7 to \$6.72 per ton; a tax of eight-tenths of a cent per pound was imposed on bar iron, on which the duty had been one cent per pound. The duty on steel rails was reduced \$11, per and went down to \$17 per ton. There were other reductions on such articles as copper, nickel, marble, silk, barley, and rice.

There was a small minority of the Democrats in the House in 1884 which wanted a still greater reduction of the tariff rates, and, headed by Mr. Morrison, they brought forth a bill, calling for a "horizontal" reduction of twenty per cent. The bill was defeated, as was a somewhat similar attempt, made by Mr. Morrison again in 1886.

President Cleveland devoted the greatest part of his message to congress, in 1887, to the tariff question, strongly advocating a general reduction. This resulted in the preparation and introduction of a low tariff measure by Mr. Mills, pro-

proving a reduction of the rates on pig iron to \$6 per ton, and an ad valorem tax of 35 per cent on cotton, and an extension of the free list, which was to include wool, hemp, flax, and lumber.

About the same time, the Republicans in the Senate introduced a bill, raising the duties on most products. Neither bill became a law, and neither was expected to do so. They were brought forth to give expression to the principles of the two political parties.

With the election of President Harrison, in 1888, the House and the Senate both became Republican. Attention was at once turned to the tariff, which was practically the only issue that had been placed before the people. Mr. McKinley prepared a high tariff measure, and after lengthy debate, it became a law in 1890. The duty on most products was raised, and it was distinctively a protective measure. It brought its author into great prominence, and perhaps caused his election as President in 1896.

By summing up the dutiable value

of the different articles affected by this bill for one year, and by adding up the revenues collected for that year, on the same, we may find out the equivalent ad valorem tax. This seems to be the most feasible way of indicating the characteristics of this act of 1890, and is the one which the writer has adopted. See the following table:

ARTICLES.	EQUIVALENT AD VALOREM DUTY, (PER CENT)
Chemicals, oils, and paints	31.07
Earth, earthen ware, and glassware	51.20
Metals, and manufactures of	57.21
Wood, and manufactures of	14.93
Sugar	14.55
Tobacco, and manufactures of	117.82
Agricultural products and provisions	33.17
Spirits, wines, and other beverages	69.78
Cotton manufactures	55.25
Flax, hemp, jute, and manufactures of	55.25
Wool, and manufactures of	80.50
Silk and silk goods	53.56
Pulp, papers, and books	23.85

The sum total, which includes sundries and some products not mentioned, shows that the average equivalent ad valorem duty was 49.58 per cent. This was an unprecedentedly high rate. The title of the bill was

"A bill to reduce the revenue and for other purposes." It was styled thus, because it was intended to raise the rates to such a degree that importation would be checked, and this it succeeded in doing. Other conditions, however, were instrumental in decreasing importation, and in studying the effect of this act, these conditions must not be disregarded.

The radical change in the policy of the government, resulting in the McKinley Bill, was followed in 1892 by a reaction, still more remarkable. Mr. Cleveland's election to the Presidency in that year gave the control of the House and Senate to the Democrats. The tariff question was again the all-absorbing one, and Mr. Wilson was called upon for a free trade measure, which he introduced immediately. This was as earnestly discussed in the halls of congress as had been its predecessor, which was entirely dissimilar in character. The bill was passed and made a law in 1894. It, however, suffered, at the hands of the Senate, many changes from the form in which it was introduced,

and left the tariff much above a strictly revenue basis. A table, similar to the one used in exhibiting the characteristics of the McKinley, follows, showing the equivalent ad valorem duty on products:

ARTICLES.	EQUIVALENT AD VALOREM DUTY. (PER CENT)
Chemicals, oils, and paints	27.99
Earth, earthenware, and glassware	35.00
Metals, and manufactures of	37.58
Wood, and manufactures of	22.87
Sugar	40.94
Tobacco, and manufactures of	109.06
Agricultural products and provisions	23.28
Spirits, wines, and other beverages	61.54
Cotton manufactures	43.75
Flax, hemp, and jute, and ^{manufactures of} manufact	40.38
Wool, and manufactures of	47.62
Silk and silk goods	46.96
Pulp, paper, and books	22.18

Adding sundries to this list, and computing the average equivalent ad valorem duty, we find it to be 39.94 per cent, about ten per cent than the level reached by the act of 1890.

The position in which this bill was introduced shows that there was a

radical free trade spirit existing at this time. Another question was coming to the front, the question of the unlimited coinage of silver. The Democratic party became divided on this knotty problem, and in 1896, the issue before the American people was primarily the coinage question. Tariff was, to some extent, forgotten in the campaign of that year. At least, it was relegated to the background. The Republicans carried the election, and Mr. McKinley was made President, not because of the tariff plank in the Republican platform, but because that party stood solidly for a gold standard.

Contrary to the expectation of many, the Republicans directed their attention first to the tariff. Mr. Hingley, Chairman of the Committee on Ways and Means, brought forth a high tariff measure, March 18, 1897. This bill was called "A bill to provide revenue for the government and to encourage the industries of the United States." This measure does not propose to reduce the revenue, as the McKinley bill had done. Mr. Evans,

under the direction of the Committee on Ways and Means, has estimated the dutiable value of the merchandise that will be affected by this instrument, should it become a law in its original form, and also the revenue that will be derived from these articles, and from this he calculates that the equivalent ad valorem duty will be something like the following:

ARTICLES.	EQUIVALENT AD VALOREM DUTY, (PER CENT)
Chemicals, oils, and paints	31.33
Earth, earthenware, and glassware	52.62
Metals, and manufactures of	46.54
Wood, and manufactures of	16.58
Sugar,	71.10
Tobacco, and manufactures of	164.05
Agricultural products and provisions	39.94
Spirits, wines, and other beverages	77.01
Cotton manufactures	54.14
Flax, hemp, and jute, and manufactures of	49.52
Wool, and manufactures of	81.57
Silk and silk goods	53.89
Pulp, papers, and books	29.82

When sundries have been added to the list, we find that the average equivalent ad valorem duty will be 57.03 per cent,

provided the bill passes in its original form, and provided further that Mr. Evans has made a good estimate. The chances are that the estimate is fairly correct, so that we can accept his figures without much modification.

This bill, after the debate and discussion customary on such measures, has passed the House with some slight amendments, and it remains to be seen what action the Senate will take concerning it.

CONCLUSION.

Having considered carefully the tariff system of the United States in all its phases, it will not be out of place to make a brief summary of the same.

We find that up to 1832, the tariff question was sectional in character, the North advocating moderate protection, and the South demanding free trade. Beginning with that date, the Democrats and the Whigs made the question a party issue, and it has remained thus up to today. The Republicans have taken the place of the old Whig party, as advocates of protection. Until the breaking out of the Civil War, the protective

spirit was conservative, never calling for what now would be termed a strictly protective tariff. The policy of the government during the period from 1789 to 1860 was a changeable one, as to the tariff. Its character was largely determined by the state of revenue in the treasury. If there was a surplus, a reduction in duties was made. If a decrease, the tariff was increased. The character of the tariff was a fairly good barometer of the condition of the treasury.

But beginning with the Civil War, the tariff question takes on a new phase. Manufacturers who had become wealthy because of the high rates prevalent during the war, which practically stopped foreign competition, urged a retention of the high duties, which the expenses of the war had made necessary, but for which there was no longer any excuse, as many thought. It certainly does not indicate prejudice to state that from 1865 to the present time, the tariff question has been largely a selfish one. Will a high duty on wool be of direct

benefit to certain industries in which I am interested? That is the sort of questions that are asked today, and the manner in which they are answered from time to time determines the character of the tariff. Personal feelings enter to a great extent into the decisions of such questions by the American voter of the nineteenth century, and until he has mastered his selfishness, and considers the welfare of the nation before the welfare of a certain section of the country, the tariff will remain in an unstable and changeable condition, much to the detriment of both manufactures and commerce.

FINIS.